







## POST-INDUSTRIALISM



# POST-INDUSTRIALISM

ARTHUR J. PENTY

WITH A PREFACE BY  
G. K. CHESTERTON



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" I don't see no sense in always grumblin'," Crass proceeded, " these things can't be altered ; you can't expect there can be plenty of work for everyone with all this 'ere labour-savin' machinery what's been invented."

" Of course," said Harlow, " the people what used to be employed on the work what's now done by machinery has to find something else to do. Some of 'em goes to our trade, for instance. The result is there's too many at it, and there ain't enough work to keep 'em all goin'."

" Yes," cried Crass, eagerly, " that's just what I say. Machinery is the real cause of all the poverty. That's what I said the other day."

" Machinery is undoubtedly the cause of unemployment," replied Owen, " but it's not the cause of poverty ; that's another matter altogether."

The others laughed derisively.

*The Ragged Trousered Philanthropists,*

by ROBERT TRESSALL.



## MR. CHESTERTON'S PREFACE

MR. PENTY, the author of this book, is one of the two or three truly original minds of the modern world. In the very first chapter he proceeds to do what is always done by minds that are original; he goes back to origins. For this reason the men whose minds are narrowed by contemporary conventions always accuse any such thinker of being a sort of romantic reactionary. An absurd legend has been manufactured among the critics who have reviewed Mr. Penty's remarkable books (and who have in some cases even read them), to the effect that he regards the medieval period as a golden age of human perfection, and wishes the modern world to make a careful copy of it. His critics talk for all the world as if he had merely recommended us to wear pointed shoes or to practise archery. So far is this from being true that his historical studies of medievalism, which are really historical, condemn many medieval things which it is comparatively common to admire; such as the cult of the Roman Law. But this book is not a study of medieval, but of modern conditions. And from modern conditions alone we could deduce the absurdity of this attempt to silence anybody with a charge of sentimentalism, merely because he wishes for a reasonable restoration of certain things which were lost by accident or by anarchy. At the very time that such journalists are flinging

about the charge of reaction, they are filling their newspapers with the necessity for reconstruction. When people wish to rebuild the villages that were burned in Belgium, we do not describe them as dreamers so deluded as to think that Belgium before the war was a paradise of perfect human happiness. When people hope to re-establish pre-war conditions of normal production or exchange, we do not charge them with thinking that the pre-war period was a golden age. We merely recognize the fact that certain things normal to the nations have been destroyed by an abnormal disaster, and that we must reconstruct them as well as we can. Now, it is Mr. Penty's thesis that the recent rush of commercialism and industrialism, in the eighteenth and nineteenth centuries, have led us to an abnormal disaster ; and that it remains for us to recur to the more stable social ideal, recognized not only in the Middle Ages, but in some degree in most ages, and by the great mass of mankind. That is the thesis, so far as medievalism is concerned ; it is the business of the critics to refute the thesis ; and it will require a very different sort of criticism to refute it.

But the general power to return to origins is an even greater matter ; and what it needs is intellectual independence. Indeed, there is an unconscious truth in the phrase of shallow people who talk of a man like Mr. Penty as if he were behind the times. In one sense he is behind the times ; as we speak of a man being behind the scenes. The man behind the scenes is at the back of things and the beginning of things. He knows where the actors come from, and how the whole performance began. He has seen all the machinery,

and can consider the play as a play, and not as a temporary illusion. Mr. Penty has seen the machinery of the modern world and does not think much of it; he has seen the illusion of progress and prosperity which it produced on the crowd, at least to some extent and for a time, and he knows it is an illusion. That is to say, he is what so few modern people can be, he is outside the modern world, and in a sense surrounds it. He can judge it freely, not merely by comparison with a real past, but by comparison with a possible future. And, as a matter of fact, that future is becoming more and more possible. It is the present that is becoming impossible. Those who blame Mr. Penty for looking to the past for an alternative to industrialism, do not realize that industrialism itself shows many signs of soon becoming a thing of the past. What is called industrial unrest might more truly be described as industrial collapse; and the things that are not collapsing are exactly the old things that it was the fashion to regard as decaying, such as the ancient peasantries of Christendom. It is these modernists who are behind the times; it is these materialists who have tied their fortunes to a failure; and it is the modern industrial city that has become a home of lost causes. These people do not understand the meaning of the Bo'shevik concession to the peasantry, of the revival of Italy, of the new power of France, of the successful revolution in Ireland.

What is wanted in this transition is a practical policy for England; and Mr. Penty propounds his practical policy. As he points out, it is really far more practical, in the sense of adaptable to existing conditions, than the alternative schemes of a more

elaborate and systematized Guild Socialism, let alone the elaborate and systematized schemes of the Fabians, the Marxians, or the Douglasites. But the special thesis of this book, as distant from the author's other books, is set out much too clearly to need any anticipatory amplification. From the first discovery of the error of Socialism about its own origin, to the final forecast of a real reconstruction analogous to the real reconstructions of the past, the reader can follow the argument in detail, and differ or agree as the case may be ; but if he is intelligent he will certainly not dismiss it as a fad or fable about the good old times. I am content here to express something of the gratitude felt by all thinking people to the author, and to leave the book to speak for itself.

G. K. CHESTERTON.

## AUTHOR'S PREFACE

AMONG the changes in thought that have come about as a result of the war, the most significant is the changed attitude towards Industrialism. Before the war it was taken for granted by most people as a thing of permanence and stability, while it was everywhere assumed that whatever evils were associated with it were incidental, and would disappear before the march of progress.

Nowadays all that is changed. It is generally admitted that the progress on which we prided ourselves before the war was for the most part illusory. Our comfortable optimism could not stand the shock of four years of war. The fact that the mechanical triumphs of our civilization so readily lent themselves to the purposes of destruction has destroyed, once and for ever, that hypnotic belief in the ultimate beneficence of science and machinery that was the faith of our generation, while the anticipated discovery of some method of liberating the stores of sub-atomic energy is looked upon with real apprehension by those who recognize its potentialities for evil, since, unless the moral development of man can keep step with his technical discoveries, it may well prove to be the most disastrous thing that has happened in the history of mankind.

• Simultaneously with this alarm in regard to the discoveries of science, the unrestricted use of

machinery is being interrogated. Before the war protests against the abuse of machinery were mainly of two kinds: economic and æsthetic. There was the economic objection of those who found their labour displaced by some new invention, and the æsthetic objection of the followers of Ruskin and Morris. But neither of them were taken very seriously. The complaints of those who found their labour displaced were not listened to because such inconveniences were supposed to be inevitable to a time of transition, while the æsthetic objection was treated by most men with something approaching contempt. Nowadays, however, all this is changing. It is becoming apparent to an ever-increasing number of thinking people that there is a definite connection between the economic deadlock that has overtaken society and our mechanical methods of production, since, apart from such methods, it is obvious that the problem on such a gigantic scale could never have come into existence. Educationalists are becoming interested, for they see all their work being undone the moment a boy leaves school for the factory, while the recent publication of Dr. Austin Freeman's *Social Decay and Regeneration*, of which Dr. Inge, in reviewing it,<sup>1</sup> said that the chapters in which he girds up his loins for an attack on machinery might have been the exhortation which persuaded Samuel Butler's Erewhonians to destroy all their machines, is significant primarily as a book on eugenics. So long as people thought that apart from incidental unemployment, which called for organization, the only objection to machinery was æsthetic, they might dismiss it as a fad. They might even, in their

<sup>1</sup> *Edinburgh Review*, July 1921. °

ignorance, feel a certain superiority in dismissing such an objection. They could even say (as I have heard people say), that excellence in the arts was the mark of a lower state of social evolution. But when they learn from an eminent scientist that the unrestricted use of machinery is not only fatal to the arts, but to man himself, spelling finally race suicide, inasmuch as it is followed everywhere by a decline in physical and mental efficiency, even the British Philistine begins to think. For scientists are the high priests of the modern world, and when they speak they are listened to.

The present volume carries the attack into the realm of economic theory. It had always seemed to me that the problem of machinery was central in the social problem, for I could never see how economic warfare could be brought to an end until machinery was controlled. But what was so plain to me was, unfortunately, not so apparent to others, yet it was not until lately, when I had the good fortune to read Mr. Beer's *History of British Socialism*, that I could see how this truth could be demonstrated. I could not see how to get behind the popular Socialist notion that no such problem existed, or the position of those who, while admitting that a problem existed, nevertheless maintained it was subordinate to the problem of capitalism, and that to raise it was to raise a false issue. But when I read Mr. Beer's history I made the interesting discovery, not only that the Socialist Movement had its origin in an attempt to solve the problem of men and machines, but that the problem of machinery occupied a central position in Socialist thought from the days of Owen to Marx. This discovery removed what had

hitherto been an unsurmountable obstacle, and makes it possible to state the problem in the terms of the thought of to-day.

A word about the title of the book. From one point of view, Post Industrialism connotes Medievalism, from another it could be defined as "inverted Marxism." But in any case it means the state of society that will follow the break-up of Industrialism, and might therefore be used to cover the speculations of all who recognize Industrialism is doomed. The need of some such term sufficiently inclusive to cover the ideas of those who, while sympathizing with the ideals of Socialists, yet differed with them in their attitude towards Industrialism has long been felt, and the term Post-Industrialism, which I owe to Dr. A. K. Coomaraswamy, seems to me well suited to supply this want.

It remains to add that this book is complementary to my *Guilds, Trade and Agriculture*, which analyses the post-war problem from the point of view of exchange.

A. J. P.

66, STRAND-ON-GREEN,  
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# POST-INDUSTRIALISM

## I

### THE FORGOTTEN PURPOSE OF THE SOCIALIST MOVEMENT

IT is a recurring tragedy in the history of ideas and movements that proposals originally advanced as means to ends come to be looked upon as ends in themselves, while the original purpose which they were intended to serve becomes obscured and forgotten. Some such fate appears to have overtaken the Socialist Movement, and is the secret alike of its intellectual confusion and its practical impotence. Thus, the nationalization of land, capital, and the means of production and exchange, which, in spite of its modification by Guild theory, is still the substance of Socialist faith, has come to be regarded as the final aim and purpose of Socialist activity, while the problem of machinery, which this proposal was originally intended to solve, has not merely been forgotten, but its very existence is denied. An inquiry into the history of Socialist thought will demonstrate this beyond a shadow of doubt.

From a sociological point of view, the period from 1760 to 1825, in which the foundation of modern political and reform activity was laid, exhibits four phases, "The first was purely parlia-

mentary and constitutional ; its protagonists, Wilkes and 'Junius,' fought against the oligarchy and the remnants of personal monarchy. The second phase was mainly agrarian ; the effect of the rapid rate of enclosing farms and commons, as well as of the improvements in agriculture, turned the attention of revolutionaries towards agrarian reform ; its writers were Spence, Ogilvie and Paine. The third phase was caused by the enthusiasm for the French Revolution on the part of the English intellectuals and London artisans, whose minds had been prepared by the theories which were current in the antecedent two phases ; its writers were William Godwin, the youthful Coleridge, Southey, Wordsworth, and John Thelwall. The fourth phase was that of the industrial revolution proper, the first critical writer of which was Charles Hall, followed by Robert Owen and his school, and the anti-capitalist critics, Ravenstone, Hodgskin, and several anonymous writers : the poet of this phase was Shelley." 1

Each of these phases contributed something to the stock of ideas and ferment of reform activity that opened in the second decade of the nineteenth century, and which gradually gathered strength until the defeat of the Chartist Movement in 1848. But it was the last phase that gave birth to the Socialist Movement. The introduction of machinery had been accompanied by the growth of prosperity—a prosperity in which the working-class shared, for wages were high and employment was plentiful. But about the year 1806 its unrestricted use resulted in supply outstripping demand, and the displacement and depreciation of labour by machinery

1 *A History of British Socialism*, by M. Beer, vol. i, p. 101.

began, and reformers began to turn their attention to industrial problems. By 1811 the problem had become acute, and widespread unemployment gave rise to the Luddite riots. The infuriated workmen rose and destroyed the machinery. The riots began in Nottingham with the destruction of stocking and lace frames, and spread into Yorkshire and Lancashire. The situation was met by the enactment of Draconian laws that made the wilful destruction of machinery a crime, punishable by death, and in January, 1813, eighteen workmen died on the gallows at York. Still the problem remained. The number of unemployed increased at an alarming rate, public opinion became agitated, meetings were called and committees appointed to investigate the cause of the distress and find a remedy for it. But no remedy was forthcoming. And this for the simple reason that, in the terms in which the public were accustomed to think, there was no solution. The unrestricted use of machinery challenged the existing order of society by upsetting the wage system—that is, the system of distributing purchasing power by means of payment for work done—and so they were faced with the alternatives of abolishing or curtailing the use of machinery, or of reconstructing society on some new basis that could be harmonized with its unrestricted use. Both of these alternatives were for them apparently unthinkable, if, indeed, they ever gave a moment's thought to the latter.

It was at this time, when society was perplexed by the social problems that the use of machinery presented, that Robert Owen was first led to pursue those speculations which laid the foundation of Socialist thought. The facilities for the production

of wealth, which the new machinery afforded, had made a tremendous impression upon his imagination, and any idea of abolishing or curtailing its use he never appears to have entertained. Yet he saw that it challenged the existing order of society. He was of the opinion that machinery, tended by a comparatively small number of manual workers, would soon be capable of supplying the needs of mankind. What, in such circumstances, was to become of the working-class? Were they to die of starvation in the midst of plenty, or were they to live upon doles? for if existing social arrangements were to be maintained there was no other alternative.

"The demands of the poor for parish relief increased to such an extent that the House of Commons appointed a Committee on Poor Laws. Robert Owen, having found it impossible to explain his views upon the matter to a committee appointed by a meeting of the leading men of London, wrote a report for the Parliamentary Committee on Poor Laws, March, 1817. A year later he further elaborated his reforms on behalf of the working class in a memorial to the Allied Powers assembled in Congress at Aix-la-Chapelle, and in 1819 he caused one of his literary friends, probably George Mudie (editor of the *Economist*, 1821-2), to write a number of open letters to Ricardo on the same subject. The gist of these pamphlets was that machinery had facilitated production to such a degree that the world was becoming saturated with wealth. As long as manual labour was the main source of wealth, demand and supply balanced. Production and population were to each other as 1 to 1. In the years 1792 to 1817 the proportion

changed enormously. Production to population were now as 12 to 1. As machinery worked cheaper than manual labour, the latter was being depreciated or displaced. The total wage bill of the country diminished; the working-class lost, therefore, much of the fund from which they satisfied their needs, the home market contracted, and the produced commodities remained unsold in the barns and warehouses. When the invention of the steam engine and other engines was made, either the greatest blessing or the greatest curse was bestowed upon society. At present, the latter prevailed, and a considerable portion of the British population was doomed to pauperism. It was in vain for manual labour to contend, under the present conditions, with the sinews of mechanism. On the other hand, if it were possible to make consumption keep pace with production, labour and capital would be beneficially employed, and distress would be unknown. But this could not be the case so long as private gain, and not social welfare, ruled economic life. As things stood now, production would more and more outstrip consumption, for the export trade must gradually decrease, and the home market contract, and therefore unemployment and insecurity of existence increase, until the working-classes, finding their remuneration either gone or reduced below the means of subsistence, would be goaded into fury and despair, and suddenly overwhelm our noble and beneficent institutions and lay them in ruins. 'We resemble individuals standing on the narrow causeway of a surrounding abyss.' All this happened because the human mind, after countless ages of struggle with poverty and ignorance, finally succeeded in unlocking the sources

of wealth ; in multiplying the production forces ; in rendering the production of goods easy. It was abundance that brought upon us misery ! Large masses of producers were thrown upon the Poor Laws because they had produced too much wealth ! How paradoxical it all looked ! What was the remedy ? Some said Poor Law Reform ; others advised emigration. But all remedies of that kind were no good, for they did not touch the problem. The real cure lay in arrangements that would enlarge consumption and make it tally with production. Such arrangements were conditioned upon combined labour and expenditure, or communism.”<sup>1</sup>

We see, then, that there is a definite connection between the problems of machinery and the rise of Socialist thought. The introduction of machinery had upset the wage system, yet Owen saw that if consumption was to be made to tally with production, wages would have to be increased, and as this was impossible so long as machinery was in private hands, our competitive system, based upon the private ownership of machinery and capital, would have to be abolished and replaced by some form of co-operative or communist organization of society. Then machinery, instead of being a curse, would become a blessing, inasmuch as under such arrangements the wealth of the community would be equitably distributed, since no one would starve through lack of work.

The change Owen advocated was to be primarily social rather than political. It gave rise to the term “ Socialist,” which came into use among the discussions of the Owenites. Owen’s idea of how to effect the transformation of society from an

<sup>1</sup> *A History of British Socialism*, vol. i, pp. 168-70.

individualist and competitive basis to a co-operative and communist one was by organizing colonies or groups of workers on a communist basis. Several of these were organized by Owen and his followers. But they all, from one cause or another, ended in failure, and their promoters lost heavily in money over them. The central current of Owen's thought was completely communist without any admixture of private property institutions, though from 1820 onwards he began to disseminate the view that not only competition, but currency problems, were also at the root of the social misery.

The Co-operative Movement, with which in these days his name is associated, was not initiated by Owen personally. On the contrary, it was founded by leaders of the working-men who were in favour of Owenism and political Radicalism, during an absence of Owen in America. They met together and opened co-operative shops, the Rochdale Pioneers taking the lead. "When Owen returned from America and saw the co-operative undertakings, he disapproved of them, and contemptuously called them Trading Associations, frankly declaring that buying and selling had nothing in common with his co-operative commonwealth. But when he found that numerous members of these unions were inclined to support many of his views, he entered into relations with them and took a keen interest in their deliberations."

A report of one of their early meetings is interesting as illustrating that the fundamental ideas of the movement were Owenite. A debate was opened on the subject: "Machinery under competition and under co-operation." Among the speakers

<sup>1</sup> *A History of British Socialism*, vol. i, p. 300.

were Hetherington, Lovett, Cleave and Watson, all of them subsequently leaders of Chartism, and their speeches resounded with the theme that machinery is a curse under the system of capital, since all the advantages of mechanical progress fell to the share of the capitalists: machinery, on the other hand, will become a blessing under a system of co-operation, since in this way the acquirements of the human mind will benefit the whole of society.<sup>1</sup>

Organized labour never accepted complete Owenism. It adhered to the Radical movement for Parliamentary reform, trade unionism, co-operation, and such other parts of his teaching as were capable of being assimilated to these purposes. From 1825 onwards the currents of thought, generated by Owen and his followers and their anti-capitalist criticism, reached the thinking portion of the working-class and created Chartism. This movement, which gradually assumed national proportions, and was in full swing in the second quarter of the nineteenth century was nominally, as its name implies, a movement for democratic parliamentary reform. But the name was a misnomer, for in reality it was an elemental class war, and constituted a series of revolutionary attempts to re-organize society on a Socialist and Labour basis. A boundless optimism pervaded the whole movement, and it filled its adherents with the unshakeable belief that the conversion of the nation to the ideals of Socialism was at hand, for they were of opinion that the introduction of machinery had so completely dislocated society that the collapse of society was inevitable. "Of the unfulfilled prophecies," says Beer, "concerning the downfall of capitalism"

<sup>1</sup> *A History of British Socialism*, vol. i, p. 301.

there is no end." Yet, with them, its imminence was unquestionable, and the re-organization of society on Socialist and Labour lines a foregone conclusion.

Yet they were mistaken. After 1848 the long period of economic crisis came to an end. Prosperity returned, not because the problem of the relation of men to machines had been faced, but because two outside factors came to the rescue, which, by stimulating activity in every direction, enabled our society to put off the evil day. The first of these was the growth of the export trade, which, during the whole of the nineteenth century, kept on increasing. And the second was the development of railway building, which created an enormous demand for labour. It was, moreover, followed by a great shifting of the centres of population from villages to small towns, and from small towns to large ones, which not only created an enormous demand for building, but effected, within certain limits, a decentralization of wealth that brought about a distributed initiative which stimulated trade. Railway building, for the most part, came to an end in the 'seventies, but the boom in building that followed the shifting of the centres of population continued until the outbreak of war.

These developments contradicted the prognostications of Owen that the export trade must gradually decrease and the home market contract. Yet the failure of Chartism is not to be ascribed to their falsification. On the contrary, Chartism fell from internal rather than external causes. Its central weakness was that it never had one mind, and to state its faith at one period of its history is not to state it at another. The central aim of

Chartism throughout the greater part of its history was the conquest of political power ; with this was merged a vague notion of transforming Great Britain into an aggregation of communist colonies on Owenite lines. In the midst of these there came the gospel of the Class War and the General Strike. These conflicting ideas could not be reconciled, and Chartism in turn was Parliamentary, Syndicalist, and Owenite. Emphasis was given to one or other of these aspects as circumstances dictated. Disappointment with the Reform Bill of 1832 led to a reaction against parliamentarianism, which lasted for a decade. In 1842 the General Strike was tried and failed. After 1839 Owenism, as a social system, showed signs of falling to pieces, and in 1845, with the disastrous break-up of Queenswood, the last of the Owenite colonies, it collapsed. Thus Chartism was left without a social faith, and this, by undermining its driving power, paved the way for its ultimate failure. Chartism, as a popular movement, ended in the fiasco of 1848, leaving behind it only a few stragglers, who refused to believe that Chartism was extinct. What was left of its theories and traditions was either taken up by the Co-operators and Trade Unionists, who now withdrew from political activity, or became in turn the starting-point for new political and economic speculations.

Karl Marx was the heir of the Chartist movement. With the failure of Chartism and the return of prosperity that followed the growth of foreign trade and the development of railway building, people began to think that the difficulties of the first half of the nineteenth century were merely

incidental to the transition from hand to machine production, and it was not long before the problem of machinery was obscured and forgotten so far as most people were concerned. But Marx, at any rate, had no illusions. He saw clearly that the problem remained exactly where it was, in that a return of prosperity had not been effected by facing and overcoming the economic difficulties that the employment of machinery brought with it, but by external events. The crisis had been postponed by enlarging the area of the problem. It was no longer national, but international. It had been postponed, but it could not be postponed indefinitely, for a time would come when international trade would reach its limit of expansion, and when that limit was reached, the unemployed problem would return with an increased intensity, because it would be insoluble apart from a fundamental change in the basis of society. In anticipation of that return, Marx set to work to develop a theory of society that would provide a firmer base for Socialist activity than had been provided by the fragmentary and contradictory theories of Chartism.

It is evident that Marx had anticipated the failure of Chartism, for in 1847 he had, with Engels, published the *Communist Manifesto*, which contains the gist of his teaching. *Das Capital* is but an expansion and theoretical justification of the views contained in it. In them he throws over the Utopian ideas of Owen as visionary and impracticable, and searches for the dynamic law of society, which he discovers in the Materialist Conception of History. According to this conception, society is not, as Christians would assert, the ex-

pression or manifestation of ideas and morals, but of the forces of production ; or, in other words, the motive force of society is not generated by the founders of religion, philosophers, law-givers and artists, but by inventors, engineers, discoverers and labourers. It is only the latter who finally count, inasmuch as the ideas of the former are but the intellectual reactions from material conditions. Or, in other words, "In response to the stimuli of the productive forces, man builds up the social order, government, religion, morality, art, philosophy and science. The material production is the substructure or the groundwork, while the corresponding political, religious, moral, philosophical and scientific systems are the superstructure, the upper storeys of society. The substructure is material, the superstructure is the psychical reflex and effect." <sup>1</sup>

This is the central idea of Marx. Applied to the world of to-day, it means that Marx considers machinery as the central creative force of the age. He agreed with Owen and the Chartists that machinery, as it is used in a competitive system, will break up existing society, but he goes further and asserts that not only will machinery break up the existing social order, but it is the appointed agent for the creation of a new one. This idea is central in his interpretation of the evolution of capitalism. *According to Marx, it is not the evolution of capitalism that determines the evolution of machinery, but the evolution of machinery that determines the evolution of capitalism.* The various phases through which the capitalistic organization of society passes are consequent upon the unrestricted use of machinery, and are not to be

<sup>1</sup> *A History of British Socialism*, vol. ii, p. 203.

separated from it. Thus the tendency of capitalism towards centralization is dependent upon the development of railways and telegraphs, which enable a central control to be exercised. While again the development of the class-war—the idea of which he inherited from the Chartists and Continental Socialists—is the rebellion of the masses against the injustices consequent upon the concentration of wealth. The end of it will be that the balance of production and consumption will be permanently upset, and economic paralysis result. This last stage of development will be marked by the appearance of a permanent army of unemployed. Society will become sharply divided between the irreconcilable camps of capitalism and the proletariat. The workers, goaded by increasing misery, will then rise and take possession of land, capital, and the means of production and exchange, and will proceed to organize society for the benefit of all instead of for the few. At this point, where the real difficulties begin, the thinking of Marx comes suddenly to an end. He leaves us contemplating the communist society which lies at the end of the process of industrial evolution, but about the structure of it he has next to nothing to say. Its forms, apparently, can be left to the productive forces themselves to determine. There is no need to think further ahead. For, he argues, just as the forces of production in the past found their own suitable form of expression and created traditions of social order, government, law, economics, art and other arrangements, so they can safely be relied upon to fill in the details of the future, for, as he tells us, “every new social system develops its embryo within the womb of the old system.”

The defeat of Chartism, as I have pointed out, was followed by a revival of trade. Prosperity returned. The development of mechanism, which hitherto had appeared as the enemy of the labouring classes, now, through the boom of railway building, began to wear the guise of their liberator. The working classes became increasingly committed to machine production, and opposition to its use became confined to such minorities of handicraftsmen as from time to time found themselves displaced by new inventions, and amid the increasing material prosperity, the existence of any problem of machinery was forgotten. People began to think that machinery was destined to become the liberator of mankind. And in this opinion they were confirmed by the theory of social evolution enunciated by Herbert Spencer. It was a comfortable belief, especially for the capitalists and the middle class, who, by means of it, were becoming so prosperous. The protests of Ruskin and the warning of Matthew Arnold, that faith in machinery was our besetting sin, were brushed aside as the irresponsible utterances of idealists and cranks, who were engaged in the vain and impossible task of stemming the tide of progress and evolution.

It was into this atmosphere of satisfaction with the achievements of industrialism, that the Socialist Movement was reborn. For ten years after the failure of Chartism there was a slump in social agitation. The working-class seemed to have abandoned politics altogether, and turned their attention to trade unionism and co-operation. All efforts to interest them in politics and the general social problem proved ineffectual, and it was not until the 'eighties that interest in Socialism began

to re-awaken. John Stuart Mill had created a certain interest in the question of land reform, which prepared the way for Henry George, whose *Progress and Poverty* (1879) had a large and immediate sale. In 1882, when his book had attained a circulation of 100,000 copies in the United Kingdom, he came over from America and lectured in London and Ireland. The effect of his propaganda was to stimulate interest in economics among the younger generation of intellectuals and working-men. In 1884 the Social Democratic Federation and the Fabian Society were in existence. The former was avowedly Marxian. The Fabian Society, on the contrary, broke away from the Marxian tradition, and gave a new development to Socialist thought, which we must now consider.

Superficially considered, the difference between Marx and the Fabians was that, whereas Marx pinned his faith to revolution, the Fabians substituted evolution for revolution as the watchword of reform. But the real difference was that, whereas Marx knew that the problem of machinery was central in the social problem, however erroneous many of his conclusions might be, the Fabians never realized that any such problem existed? On the contrary, they accepted the comfortable optimism of Herbert Spencer, which identified the spread of mechanical production with the cause of progress, while differing with him in demanding that society should be organized on a co-operative instead of a competitive basis. Thus it came about that they were led to deny any catastrophic ending of the industrial system such as Marx predicted, and to postulate that industrial expansion had no limits. Living at a time when industrial conditions

had attained to some stability, they mistook the temporary immunity from economic troubles for a condition of permanence. They failed to realize that the problem of the relation of men and machines had not been solved, but was obscured and overlaid by the development of foreign trade and the shifting of the centres of population, and would reappear, when the expansion of markets had reached their limit, if existing tendencies were to proceed unchecked. Therefore, though Marx might be wrong in assuming that the Socialist State could suddenly emerge from the débris of a ruined civilization, he was not wrong in seeing that the progressive application of machinery would result in the later phases of capitalism being marked by the appearance of a large and ever-increasing army of unemployed. Thus it came about that, having ruled out the great primary issue of industrial civilization as a matter of no account, the Fabians fell back on secondary issues, and the nationalization of land, capital, and the means of production and exchange, which had been originally advanced as a means of effecting the abolition of the wage system—a necessity if machinery was to be allowed to displace labour—was advanced as an end in itself, while “the abolition of the wage system” was discarded as a meaningless phrase which could only mislead the public as to the aims of Socialism. And Socialism, from being a movement that faced the central facts of civilization, degenerated into the issue of private and public ownership, and lost its way in a maze of Blue Books, statistics and detailed considerations; gas and water socialism, Poor Law, Housing Reform, etc., on the one hand, and political labourism on the other.

The inadequacy of Fabianism had all along been felt by many Socialists, yet it was not until the year 1908 that a reaction set in against it, which developed out of disappointment with the performances of the Labour Party in the House of Commons. This reaction took two forms. Among the intellectuals it took the form of rebellion against the bureaucratic ideal, taking eventually the form of Guild Socialism, which, in a vague kind of way, has penetrated a great part of the working-class movement, while simultaneously there was a reaction against Fabian policy among the extreme elements of the Socialist Movement, which took the form of a revival of the ideas of Class War and Marx modified by Syndicalist ideas imported from France. Both these movements have nowadays, in spite of certain appearances to the contrary, spent their force, and if the whole Socialist Movement does not suffer the same eclipse that followed the failure of Chartism, it is because the chaos of Europe and the magnitude of the unemployed problem will not allow men to forget that a social problem exists. •

Whether the Socialist Movement has a future, or whether it will slowly disintegrate, remains to be seen. But that some solution must be found for the social problem, and found quickly, if civilization is not to perish admits of no question. Meanwhile the reflection is forced upon us, that this unemployed problem is the problem that Marx foresaw; it is the problem that confronted the Luddite rioters, and which our modern Socialists in their blindness deny.

## II

### THE UNFULFILLED PROPHECIES CONCERNING MACHINERY

WE have seen that the Socialist ideal of reconstructing society on some co-operative or communal basis had its origin in the fact that the unrestricted use of machinery was found to be incompatible with a competitive society ; that the problems growing out of machine production found a central position in Socialist theory from the days of Owen to Marx, but were lost sight of and forgotten by the Fabians, who came to advocate the nationalization of land, capital, and the means of production and exchange as the sole end of Socialist activity instead of being merely a means to an end, as they were regarded by the early nineteenth-century Socialist thinkers ; the end, of course, being the adaptation of society to the changed conditions brought about by large-scale mechanical production.

This is the first cause of confusion that has overtaken the Socialist Movement. So far from being able to find a solution for the problems of society, the movement has forgotten what is the problem it originally set out to solve. In these circumstances, the first step towards extricating society from the chaos into which it has fallen is to restore the problem of the relation of men to

machines to the central position that it occupied in social theory before the Fabian Society came along. This is a necessity of clear thinking and an issue quite apart from the question as to what our particular attitude towards the problem of machinery may be. The fact that the problems of machinery occupy a central position in the social theories of both Ruskin and Marx should give us pause to think. That two great thinkers, who came to diametrically opposed conclusions about almost everything, should yet be agreed that in any analysis of modern society the problem of machinery should be given priority to all others, suggests that it should not be lightly dismissed, while the fact that modern thinkers who have chosen to ignore it find themselves not only entirely impotent to effect a change, but bankrupt of ideas as well, suggests that their premises are insufficient. In some way or other they hold their ideas in a false perspective, and though they may protest against any reintroduction of the problem of machinery as being merely an addition to the difficulty, yet I am persuaded that it will in the end turn out to be a simplification, in the same way that the introduction of a fresh term to an intricate irreducible mathematical expression will at times bring it to unity.

If then we may be agreed that the problem of machinery is fundamental, let us pass on to consider what our attitude towards machinery should be, and in this connection it will be convenient to begin by considering the prophecies of Marx—to what extent they have been fulfilled and to what extent they have been falsified by experience. For Marx, in his whole-hearted belief in

the ultimate beneficence of machinery, is close to the modern mind.

In the magnitude of the unemployed problem to-day we may see at the same time the disproof of the Fabian notion of indefinite industrial expansion and the fulfilment of the prophecy of Marx that the last phase of capitalism would be marked by the appearance of a large and increasing army of unemployed. As the Fabians denied that such a thing could happen, we recognize that Marx had a grip of something fundamental that the Fabians had not. That something is the dependence of finance on machinery. Marx saw clearly that under a system of competitive enterprise machinery is inevitably used more and more, and that development upon such lines placed finance entirely at the mercy of machinery—the progressive application of which would determine the various phases of industrial development through which society would pass until the climax was reached. The truth of this interpretation is confirmed by the situation developed in Germany before the war. It is customary to attribute this situation to the failure of Germany's system of credit banks—to the fact that she had built up her industrial system on borrowed money. But the great fact behind the financial situation is that in the fifteen years before the war Germany had quadrupled her output. The ratio of productivity in Germany due to never slackening energy, technique and scientific development was far outstripping the ratio of demand. Production was no longer controlled by demand but by plant, and the increased pressure of competition had so increased the overhead expenses that no furnace could be damped down and no

machine stopped ; for the overhead expenses would then eat up the profits and the whole industrial organization come crashing down, bringing with it national bankruptcy.<sup>1</sup>

We miss the lesson that the war should teach us if we fail to recognize that it was finally brought about by the desperate economic condition to which Germany had been reduced by her whole-hearted pursuit of science and mechanism—pursued as ends in themselves. Such a climax was inevitable from the day that industry embarked on unregulated machine production, for it inevitably leads to the problem of over-production (or under-consumption as some people prefer to call it). The ideal of the early nineteenth-century economists, that Britain might become the workshop of the world, was a romantic illusion ; for no nation can afford to be the consumer of the machine-made goods of other countries indefinitely. The suction would drain its economic resources. Each nation in turn is driven to adopt machine production in self-defence. Hence it has happened that one after another of the nations who were once our customers have taken to machine production and have been drawn into the whirlpool of industrial production. And in proportion as this came about, we were driven further and further afield in search of markets, and it was inevitable that a time would come when there were no new markets left to exploit. When that point was reached, the fundamental falsity of the whole system revealed itself, in the economic paradox that drove Germany to war.

<sup>1</sup> See *Germany's Commercial Grip on the World*, by Professor Hauser of Dijon (Evelyn Nash).

Now Marx saw clearly that unregulated machine production would reach a climax, in that some day a point would be reached when industry could expand no further. But he failed to see that the pressure of competition would, by stimulating international jealousies, result in war. On the contrary, in the *Communist Manifesto* he says : "National differences and antagonisms are to-day vanishing ever more and more with the development of the bourgeoisie, free trade, the world market, the uniformity of industrial production and the conditions of life corresponding thereto." And this is important, because the war has given the lie to Marx as it has done to Herbert Spencer, for it has revealed industrialism as a destructive rather than a constructive force. Before the war it was customary to regard industrialism and militarism as opposed principles ; one making for peace, the other for war. Yet reflection suggests that militarism and industrialism as they exist in the world to-day are but two aspects of the same thing, inasmuch as both are expressions of the worship of wealth and the bent given to the human mind by the cult of mechanism. From an early date they have given each other mutual support. The war has been well called a war of machines. For that is what it was. War on such a tremendous scale was impossible in the past. It needed the whole industrial apparatus to make it possible. Mechanical transport, telegraphs, tinned foods, etc. were just as necessary as armaments for war on such a prodigious scale, while the fact must not be overlooked that in the production of armaments the mechanical arts reach their highest point of perfection. The Dreadnought is just as

much a symbol of the modern world as the Cathedral is of the Middle Ages.<sup>1</sup>

But this is not the worst. Bad as the war was, it seems that worse is to follow. The reactions of the war have been such as to precipitate economic chaos everywhere. Wars in the past were not so destructive to society, not only because they were on a smaller scale but because the social structure, being simple, recovered after a time from the shock of war. But the unrestricted use of machinery has resulted in making our society so complex that it can only be maintained by an intricate system of exchanges. The war has wrecked the exchanges, and this is producing economic deadlocks everywhere. And there seems little prospect of society ever extricating itself from the confusion, for its complexity is such as to be beyond the comprehension of even the greatest minds.

Though Marx did not foresee the war, he did see that a fundamental antagonism existed between mechanical production and established traditions of social order and culture. He saw that the unrestricted use of machinery would end in their destruction, but he prophesied that as a result of the changed social conditions new social and cultural standards would arise as a consequence of the reflex action of machine production. This prediction I submit has been entirely falsified by experience. There is no evidence whatsoever that machinery by any reflex action is in the way of creating any new traditions to replace the ones it has destroyed. On the contrary all that follows

<sup>1</sup> In *From the Human End*, by Dr. L. P. Jacks, there is an interesting chapter on "Militarism and Industrialism."

in the wake of the machine is chaos and confusion.<sup>1</sup>

The failure of sociologists to formulate any theory of society that would permit the unrestricted use of machinery was some years ago frankly admitted by Mr. H. G. Wells, who in his belief absolute in the ultimate beneficence of machinery and in his perception that the problem of machinery is central in modern society is the true successor of Marx. Thus in the introductory essay to *The Great State* he says: "We have, in fact, to invent the Great State if we are to suppose any Great State at all, an economic method without any

<sup>1</sup> A masterly analysis of the effect of machinery on civilization is to be found in *Social Decay and Regeneration*, by Dr. R. Austin Freeman (Constable, 1921). His whole indictment against machinery is summed up in these words: "Mechanism by its reactions on man and his environment is antagonistic to human welfare. It has destroyed industry and replaced it by mere labour; it has degraded and vulgarized the works of man; it has destroyed social unity and replaced it by social disintegration and class antagonism to an extent which directly threatens civilization; it has injuriously affected the structural type of society by developing its organization at the expense of the individual; it has endowed the inferior man with political power which he employs to the common disadvantage by creating political institutions of a socially destructive type; and finally, by its reactions on the activities of war, it constitutes an agent for the wholesale destruction of man and his works and the extinction of human culture. It is thus strictly analogous to those anti-bodies by which the existence of aggregates of the lower organisms is brought to an end."

Equally interesting is an article entitled "The Dilemma of Civilization," by Dr. Inge (*Edinburgh Review*, July 1921), in which the book is reviewed. Though here and there the observations of both author and reviewer are marred by class prejudice, yet the indictment as a whole stands.

specific labour class. If we cannot do so we had better throw ourselves in with the conservators forthwith, for they are right and we are absurd. . . . Our contemporary economics is, however, still a foolish pretentious pseudo-science, a festering mass of assumptions, about buying and selling and wages-paying, and one would as soon consult Bradshaw or the works of Dumas as our orthodox professors of economics for any light upon this fundamental matter."<sup>1</sup>

What Mr. Wells says about modernist economics is as true to-day as it was twelve years ago when Mr. Wells wrote these words. There is a conspiracy of silence everywhere about the central problem—the relation of men to machines.<sup>2</sup> Mr. Wells' subsequent career is a striking testimony to the failure of modernists to build any social theory around the unrestricted use of machinery. Alone among modernists Mr. Wells perceives the machine problem to be the central issue, and he has made valiant efforts to solve it. He has failed because I believe he has attempted the impossible. ~~Yet~~ he is too fascinated by machinery to admit it, and so he circles round and round in a vain hope that the problem will yield somewhere. He seems to be conscious of the fact that he cannot go forward and he lacks the courage to go back.

<sup>1</sup> *The Great State*. A collection of essays by various writers, with an introduction by H. G. Wells, pp. 37-39.

<sup>2</sup> If there is an exception to this rule it is Mr. C. H. Douglas' credit scheme. Mr. Douglas does recognize that the wage system is breaking down. But his efforts to put something in its place does not encourage in us the belief that the problem will be solved on modernist lines.

What is true of attempts to reconcile social theory with the unrestricted use of machinery is true of the arts. Many have been the attempts to reconcile the arts with the fact of machine production. But they have all failed. Let no one suppose that the hostility of the Arts and Crafts Movement towards machinery is based upon some incurable prejudice. On the contrary, it is a conclusion to which men are reluctantly driven by experience. There have always been as many artists who were ready to affirm that the claims of art and machinery could be reconciled as those who denied the possibility. But the interesting fact is that those who were most ready to affirm it are those whose work does not come into collision with machinery and that the new ideas of art came from those who went back to the basis of art in handicraft and not from those who exalted the machine, while any good work that has been produced by machines has merely imitated as best it could the work done by hand. That is the truth of the matter. The machine is imitative; it is in no sense creative. But while it imitates, it can only imitate certain things. There is always something omitted, some quality that does not lend itself to reproduction by machinery. That quality is temperament. There is no temperament about machine work. It can reproduce things of good proportion, of pleasing colour and design. But the temperament will be missing. It eludes the machine.

Meanwhile no new forms of art make their appearance in response to the stimulus of the machine. The Design and Industries Association has made great efforts to reconcile machinery and

art. Recognizing that the Arts and Crafts Movement had failed to influence industry as a whole, it preached the gospel that the only way of reviving the arts was to come to terms with machinery. But it has failed as miserably as the Arts and Crafts Movement to exercise a widespread influence on industrial production, while it is to be observed its ideas are entirely parasitic on the work of the craftsmen. And this is not surprising when we remember that new developments in science have their roots in the experimental use of material; for what, after all, is experimental science but the counterpart of experimental handicraft? And if science cannot progress apart from such an experimental base, why should it be supposed that the arts can? The truth is that in seeking to revive the arts upon a basis of experimental handicraft artists are really adopting the method of science. But there is no opposition between experimental science and machinery, why then should there be opposition between the handicrafts and machinery? The answer is that it arises because the mechanical standard of production which satisfies science lends itself to quantitative production, while the æsthetic standards of craftsmanship do not, because the latter is impossible apart from the liberty of the craftsman. All the outfit of capitalism, its quantitative standard, its large organizations, its speed and complexity are antipathetic to the spirit of art and craftsmanship. They collide at a thousand points and all efforts to reconcile them fail in the end.

But there is a deeper reason for this antagonism. They serve different ends. Art serves spiritual ends; machinery and commercialism serve material

ends. Up to a certain point these two may develop side by side and no antagonism is felt. The spiritual and material aspects of life go hand in hand. But beyond a certain point this is no longer the case. Separation begins. Henceforth further development of one side can only be at the expense of the other. It is not a case of anyone definitely willing this separation. It simply happens as a loss of balance consequent upon an undue concentration upon the problems appertaining to one side of life. It is a question of proportion. As in chemistry, we know the elements composing any compound substance will combine with others in a certain definite and fixed proportion, and in no other, so we may say that the material and spiritual elements will only combine organically in society when they co-exist in a certain definite proportion. To translate this idea into the terms of our immediate problem we may say that mechanism is one element ; art is another. They will combine organically as they did in the past when they co-existed in certain proportions. But not to-day when mechanism is abnormally developed. The fallacy of supposing that mechanism may some day issue in art has its origin in a failure to recognize that, as they are in their nature separate elements, one cannot be transmuted into the other. It is so easy to enjoy the illusion that there is no incompatibility between art and mechanism if one has never made any practical attempt to reconcile the two, but so impossible when one has. The æsthetic and mechanical standards are as different as are those of poetry and logic. And we have no more reason to expect that art will emerge at the end of the

mechanical process than that poetry would result from the pursuit of logic.

There is no branch of art that in one way or another is not threatened with extinction at the hands of mechanical production, and nothing appears to take its place. The problem of architecture, it may be said, is too complex to be capable of any simple generalization. But it may be said that it is attacked on all sides by a combination of influences against which the architect is apt to struggle in vain, most of which are directly or indirectly the consequence of unregulated machine production. For a long time the only serious difficulty which the competent architect had to face was the difficulty of getting decent bricks and tiles to build with. But of late years he has got buried under a perfect avalanche of artificial materials, asbestos tiles, concrete blocks, standardized window frames, doors and other abominations which cut at the very base of any possible architectural treatment. Only on the more expensive work, which is a rapidly declining quantity, can he escape from the necessity of using such things. To believe that any new style of architecture can arise out of such conditions is to take refuge in a faith that has no relation to reality. No one in architecture really believes it, though there are some who try.

Other arts are being extinguished by the competition of mechanical processes of one kind or another. The market for painting has been ruined by cheap reproductions; music has to compete with the gramophone; the stage with the cinema; while the taste for good literature is corrupted by

the deluge of thoughtless rubbish that issues from cheap periodicals.

Though inventions and machine production have damaged all the arts, apart from those that have their basis in handicraft, they are being extinguished less by any direct use of machinery than by the corruption of demand. This corruption is the natural consequence of the misuse of machinery with its monotonous grind, its ever-accelerating speed, and its indiscriminating advance which mashes things together in amorphous conglomerations of bewildering complexity. Reasonable pleasure has its basis in reasonable work. The corruption of work reacts therefore to corrupt the leisure that accompanies it. For if men are turned into machines, or are engaged in occupations that bring them no pleasure or satisfaction, their life is corrupted at its roots. It matters little if the hours of labour be reduced to six or four hours a day, the corruption will be there all the same. Under such conditions men cease to be normal. A feeling of restlessness overtakes them which, in its reactions, vitiates all natural instincts. They crave excitement, and so long as they are strong and virile, it will tend to take the form of gambling, drink and vice. But when, owing to the fatigue of industrial conditions, a generation loses its vitality, all it desires is to be amused, and so finally it takes to cinemas which make the least demand on the intelligence of any form of amusement. Thus we see that in the long run mechanical labour produces a demand for mechanical amusements. And this is natural, for culture cannot exist finally apart from life. The great cultures of the past were organically a part of a man's everyday work.

They came to a man at his work and this formed in his mind a temper that responded to the higher forms of culture. Such cultures were human things to the extent that they were capable of binding king and peasant, priest and craftsman together in a common bond of sympathy and understanding. But such understanding between different classes in society is impossible if the mass of men are degraded in their work, for it is obviously impossible to build up by means of education what the day's work is for ever breaking down. Hence there arises an impossible barrier between the many and the few. The links which bound culture and life are broken, and they cannot be repaired so long as man remains a slave of the machine. And so all art and culture disappear from life, for it cannot be kept alive by the few. All must share it or none. If any art is to revive, it must be an art that is the common possession of the whole people, and such an art cannot be grafted on a machine society. On the contrary, the arts (if we may so call them) that a machine population can share, are the arts of the cinemas and the gramophone, and the only culture is the culture of mechanism, whether it be motor-cars or aeroplanes. For these are the only cultures that are a part of the lives men live. If this is the art and culture that Marx meant when he predicted that a new art and culture would arise in response to the stimuli of the machine, then in this limited sphere his prediction has been fulfilled. But they are not the arts and culture which I, at any rate, associate with the idea of the millennium, for in no sense can they be regarded as communal arts. On the contrary they are the arts of a plutocracy.

Just in the same way that machine production has created an atmosphere inimical to the arts, it has created an atmosphere antipathic to religion. The really practical challenge to Christian morals does not come from the materialist philosophy but from the machine. The old rationalists denied the supernatural character of Christianity, but they did not challenge its moral code. That challenge, it is to be observed, came from those whose ultimate belief was in the beneficence of machinery, who in some vague way imagined that machinery had rendered Christianity obsolete much in the same way that it was rendering the handicraft obsolete. Foremost among those who so believed was Marx, for the new morality that he postulates is something that is to arise as a consequence of the dissolution of the fabric of existing society by the machine, and remembering how the factory system tends to break up family life there is no doubt a connection between the two. Such an antagonism is felt by men who have lived under happier conditions in the East. Let me quote the words of a Hindoo, Rab Bharati, on this question. He says :

"What is this civilization anyway? I have lived in four of its chief centres for about five years. During that time I have studied this civilization with the little light with which my Brahmin birth has blessed me. And I must confess that I have been deeply pained by the facts that study has revealed to me. This vaunted civilization has raised selfishness to a religious creed. Mammon to the throne of God, adulteration to a science, falsehood to a fine art. . . . It has created artificial wants for man, and made him a slave of

work to satisfy them ; it has made him ever restless within and without, robbed him of leisure—the only friend of high thought. He knows no peace, hence he knows not himself nor his real object in life. It has made him a breathing, moving, hustling, fighting, spinning machine—ever working, never resting, never knowing even the refreshing rest of a sound sleep. It has made him a bag of live nerves ever stretched to high tension. It has sapped the foundation of home life—and, its trunk separated from its roots, its roof-tree threatens to fall, shaken by each passing breeze. Its vulgar haste and love of sensation are invading even the realm of religion, which is being classed with fads and crazes. Its boasted scientific inventions have done more harm than good to humanity's best and permanent interests ; they serve only the surface of life which alone its votaries live and know." 1

Sufficient has now been said to show that the prophecies of Marx and Herbert Spencer as to the glorious future that would follow the unrestricted use of machinery, which the modern world has more or less tacitly accepted, have not only not been fulfilled but show no signs of it, for all available evidence points in the opposite direction. Marx saw that in his day it was not men who were using machines, but that the machines were using men, and he therefore came to the conclusion that the productive forces have at all times been the mainspring of social development. But this does not follow. It is easy to understand why a society that refuses to regulate machinery should

1 In *The Light of Asia*, quoted in *The Fallacy of Speed*, by Thomas F. Taylor, pp. 23-24.

find itself at the mercy of its machines. But it does not follow that before the invention of machinery society was at the mercy of the tools of the handicraftsmen, for in the pre-machine days change was too slow for the productive forces to dominate the mind of men or affect in any way the social development. Still, it has been true since the days of the industrial revolution, and therefore, though we cannot accept the attempt of Marx to deduce from the social and economic phenomenon of the nineteenth century a universal law of history, we can yet recognize that so far as the industrial era is concerned, he was right in affirming that the progressive application of machinery has been the central driving force in social and economic development. But we deny that such development leads to the millennium, since all evidence points to the conclusion that the use of unrestricted machinery is rapidly disintegrating the whole fabric of civilization, while nothing arises to take its place. We can agree with Marx that unrestricted machinery is destructive of old social traditions, but not that it will create new ones to replace them.

And if this is so, what becomes of the Socialist theory of society? Remember the central idea of the Socialist gospel was that unrestricted machinery would prove itself a creative force. What becomes of that gospel if we find it is merely destructive? The Socialist ideal of a common or corporate life may remain. But their theory of social development is disproved by the facts and can have no further validity for us. For remember, it is impossible to escape the dilemma by saying that the Socialist Movement makes capital rather than machinery the point of attack,

since the two are so inextricably bound together that a change of attitude towards one involves a change towards the other. If machinery is destructive, then capitalism is destructive, and therefore its organization cannot form the basis of the Socialist State. Capital in the sense that it represents property and power we may still recognize as the enemy. But our conception of its nature will have so completely changed as to necessitate a new valuation.

### III

## MACHINERY AND THE SUBDIVISION OF LABOUR

WE have seen that the Socialist theory of social evolution, based upon the assumption that machinery is a creative force, has been entirely falsified by experience, since so far from new forms of social order and new traditions arising in response to the stimuli of the machine as Marx predicted, the unrestricted use of machinery has proved to be purely destructive. In these circumstances it is urgent that the 'Socialist Movement' should reconsider its position, for what is the use of preaching economic theories which depend on the assumption that its evolutionary doctrine is true, when that doctrine has been entirely disproved by the facts?

It is true, of course, that for some time Socialists have been a little chary about social evolution. But they hesitate to make the deduction which a recognition of the failure of their central doctrine demands. If there is no evidence of a continuous social improvement, then we should recognize that society is constantly losing its way and that it may actually be reversing progress. And if it be true that society does go astray, then it is urgent that we should seek to return to the point at which we lost our way. In daily life

we pursue this policy, but in the big fundamental things we do nothing of the kind. We answer those who affirm that we are on the wrong track with the assertion that we cannot put the clock back and commit one political folly after another, vainly imagining that the social confusion consequent upon economic injustices in the past may be used as a foundation on which to build the millennium of the future. Yet the evidence that industrialism is a blind alley from which we must retrace our steps or perish becomes more conclusive every day. Whatever excuse there may be for the mistaken judgments of Owen and Marx, there is simply no excuse for Socialists to-day, for "the cancer of industrialism has begun to mortify and its end is in sight," while "in a thousand ways the lineaments of the old world are reappearing through the dissipating smoke."

Once we recognize these things, we begin to understand the significance of Medievalism. Its roots are not to be found in any idealization of the past, as our critics ignorantly suppose, but in frankly facing the facts of the present, for once the human mind finds itself unable to contemplate the future of industrialism with equanimity, it inevitably turns to the past. Such being the case, Medievalism is not romanticism, but the last word in utilitarianism as all must sooner or later find out. Its value as an ideal is that it provides a convenient rallying-point from which the root fallacies of our civilization may be attacked. It challenges the conception of progress with its indiscriminating industrial advance by exalting an age which, whatever may have been its defects (and they are not to be denied), was at any rate

free from the defects of the present, and thus it provides something concrete and tangible around which our thinking may crystallize. In so far as the modern world is not interested in Medievalism, it is not because it is realistic, but because it is superficial and romantic, because it lives on phrases and disregards things, because it is satisfied with words like progress, emancipation, liberty, which can be twisted to mean anything ; because it hates definiteness and dogmas which are the necessary foundation of all clear thinking ; because it thinks it can eat its cake and have it, and is not interested in fundamental things. For an interest in fundamental things inevitably creates an interest in Medievalism ; for in it the beginnings and the origin of things that exist to-day are to be found. Hence some familiarity with the Middle Ages is necessary to see the modern world in its proper perspective, to enable us to distinguish clearly between primary and secondary ideas. And when we do learn so to distinguish, we begin to understand why the modern world must retrace its steps as it will do before long. For if it can no longer look forward with confidence, the time is not far distant when it will begin to look back. When that happens, the day of salvation will be in sight, for we shall be in possession of a vision that will co-ordinate our manifold activities.

The choice, as I see it, is not between whether we are to go forward or to go back, but whether we are to continue drifting towards an inevitable social destruction or resolutely retrace our steps until we rest again on a firm foundation. Modernists who devise this scheme and that to

cure our social ills lose sight of the fact that modern society is in such a state of unstable equilibrium that it cannot stand still. It must either move forward or move back. Now that we are all agreed that we cannot with safety move any further forward, wisdom suggests that the only rational thing to do is to go back. That the modern world should hesitate to make such a choice is not surprising, for the implications are enormous, while it is so much easier to swim with the current than against it ; therefore, unless people are very clear in their minds they shrink from such a decision. Yet come to it finally they must ; if not by choice, then by pain and suffering, for there is no third alternative. It is quite useless to attempt to reform secondary things whilst ignoring primary and fundamental ones. It is only playing at reform. If there is no public interest in these questions, it is our business to create an interest, and not to wait until it is too late.

But, as a matter of fact, there is a public interest in these questions, but unfortunately not in reformist circles, whose members live in a world of economic abstractions. The Socialist Movement began, as we have shown, in an attempt to find a remedy for the problems which followed the introduction of machinery, and to that problem it will return before long, because nowadays, when there are no new markets left to exploit, every new machine must result in the displacement of labour. This fact must force the question to the front. The subject has to be created. It would be no use beginning with any cut and dried scheme as to what requires to be done until people are

familiar with the facts. For the present, all that can be demanded is that before any new machine is permitted to be used it shall be made the subject of a public inquiry, which shall take evidence as to its effect upon conditions of labour, upon employment, upon the crafts and arts, and all other social and economic implications. Only when the Commission was satisfied that its application would be beneficial should its use be allowed. If labour were displaced, those who profited by the new invention should be made responsible for the maintenance of those whose livelihood they took away. This demand that the use of machinery be regulated rests finally on precisely the same grounds as any other kind of regulation. Firstly, to restrain those whose motives are bad from injuring society by their actions, and secondly, to prevent those who with the best of motives do things through ignorance which are harmful in their results.

If such a law could be enacted our victory would be won, for the evidence that only evil follows the unrestricted use of machinery is simply overwhelming, as all who have taken the trouble to inquire are well aware. Facts would be revealed that would set people thinking about the question of regulating machinery, and the need of setting to work to re-create the traditions of civilization that we have so thoughtlessly allowed to be destroyed. Once attention was turned in this direction a current of thought would be created that would grapple with the realities of the situation, for it would break the spell of that mechanical hypnotism that lures us to our destruction.

The problem of machinery has then a positive and a negative aspect.<sup>1</sup> Its negative aspect is to prevent the further destruction of the traditions of civilization, and its positive is the re-creation of such traditions as the misuse of machinery in the past has destroyed. But when we come to think of things in this way, we begin to see that though machinery has been the more active agent in the destruction of our traditions, yet it is by no means the only agent, and that it would not have been anything like so destructive had it not been introduced into a society whose traditions had already been partly undermined by the subdivision of labour, itself a consequence of the defeat of the Guilds, which defeat handed over industry into the hands of the exploiting capitalist.

Our criticism of the use of machinery has not been directed against machinery as such, but against its unrestricted use and the deliberate ignoring of its social and economic consequences. But with the subdivision of labour which lies behind the misapplication of machinery it is different, since it appears to us to be an entirely indefensible and degrading institution, and as such it should be entirely abolished. To explain what I mean in this connection it will be necessary to differentiate between the division of labour, which is a natural and normal thing, and the subdivision of labour, which is both unnatural and abnormal.

The division of labour is a necessity of any civilized society since, as it is obvious that a man cannot supply all his own needs, the labour of the community must be divided between different

occupations. To some extent a man is inevitably dependent on others. Hence it was that no sooner did civilization begin to develop than men tended to become specialized in different trades and occupations. One man became a potter, another a weaver, a third a carpenter, and so forth. Up to this point the division of labour is justified, not merely because it is a necessity of civilization, but because it enlarges the life of the individual and his opportunities for self-expression. In the seventeenth century, however, under the impulse of profit-making, a further development took place. Measures were taken to increase the output and decrease the costs of production by the subdivision of trades into a great number of separate processes. The classical example of the subdivision of labour is that eulogized by Adam Smith in the *Wealth of Nations*, namely, pin-making, in which industry it takes twenty men to make a pin, each man being specialized for a lifetime upon a single process. Scientific management, about which we hear so much in these days, carries this system to its logical conclusion, and as such it completes the factory process. The subdivision of labour attacks the craft and it reacts upon the man. Scientific management, however, attacks the man direct, its acknowledged aim being to increase output further by the elimination of all motions of the arms, fingers and body that do not contribute directly to the fashioning of the article under process of manufacture.

The subdivision of labour and its recent development into scientific management are the curses of industrial civilization, for by reducing

men to the level of automatons, they reduce them to the position of mere fragments of men ; they undermine their spiritual, moral and physical life, and disintegrate their personality, while by giving rise to gluts in the market they lead inevitably to sweating and economic insecurity. Together with these evils, they are responsible for a progressive functional atrophy of the aptitudes of man. Dr. Austin Freeman, in a book to which I have already referred, draws attention to the evidence of the degeneracy of the British "sub-man," as he calls the victims of this system. "Compared with the African negro," he says, "the British sub-man is in several respects markedly inferior. He tends to be dull : he is usually quite helpless and unhandy ; he has, as a rule, no skill or knowledge of handicraft, or indeed knowledge of any kind. The negro, on the contrary, is usually sprightly and humorous. He is generally well-informed as to the flora and fauna of his region, and nearly always knows the principal constellations. He has some traditional knowledge of religion, myths and folklore, and some acquaintance with music. He is handy and self-helpful ; he can usually build a house, thatch a roof, obtain and prepare food, make a fire without matches, spin yarn, and can often weave cotton and make and mend simple implements. Physically he is robust, active, hardy and energetic." <sup>1</sup> Yet in a boot factory there is not a man who can make a pair of boots, while the factory hands are, as a rule, of very poor physique : they are small and stunted, with bad teeth, and suffer much from pulmonary

<sup>1</sup> *Social Decay and Regeneration*, by R. Austin Freeman (Constable, 1921).

and digestive troubles. Such are the fruits of progress to which we conveniently turned a blind eye so long as there was money in it.

Of course, this system cannot last. To use Dr. Freeman's language, "its own activities have generated toxins which are poisoning it." For while on the one hand it is giving rise to wholesale incompetence, on the other, by destroying all charm in work and turning it into hated toil, it has generated a spirit of class hatred that expresses itself in revolt. Moreover, it uses up our natural resources at such an alarming rate that, apart from any other consideration, the life of the industrial system is seen to be very limited. Most people, on first acquaintance with the subdivision of labour and scientific management, feel an instinctive repulsion towards it. They feel it is wrong, yet cannot say exactly why. They cannot find an answer to the arguments by which it is defended. And, indeed, there is no answer, if we accepted the quantitative standard of capitalism as the final test of rightness in industry; for there can be no doubt whatsoever that this system does increase the volume of output. To challenge this system successfully it must be approached from the human end, from the point of view of quality rather than quantity, of the producer rather than the consumer. Only when we affirm that human values shall take precedence over commercial values do we see the system is cruel and inhuman, destructive alike of personality and happiness, since by forcing the individual into a narrow groove it thwarts the creative impulse which is inherent in man, and as constructive instincts when suppressed become destructive, it comes about that men to-day,

suffering from the tyranny of our industrial conditions, are everywhere sub-consciously seeking the destruction of the system that thwarts them. How much of the labour unrest has its roots in the denial of pleasure in work it is impossible to say ; but that there is an intimate connection between the two, and that the impulse of labour to-day is destructive, cannot easily be denied.

But it is not only the impulse of labour that is destructive. The same anarchist impulse penetrates every class. It is at work in every department of life. Over-specialization is the bane of the modern world, and it affects the intellectual worker, not perhaps in the same degree, but with consequences that are as potent for evil as those which are to be deplored in the world of labour. For just as the machine tender becomes atrophied in certain directions, so the intellectual specialist, by developing one side of his mind at the expense of the other sides, tends to lose balance and his judgments are apt to be anything but reliable. In the Middle Ages the cultural idea was that of unity, but with the Renaissance universality took the place of unity as the aim of education. The consequence of this change of direction was that, as it is impossible for any single individual to be universal, the growth of the idea of universality was accompanied by the growth of specialization, and the field of thought became divided among many specialists. These again have been divided and subdivided until any sense of a central and co-ordinating idea has for the most part disappeared from among modern intellectual workers. It is said that in Germany specialization had before

the war reached such a degree of development that each individual became a monomaniac on his own subject and was largely ignorant of every other, to the detriment of general culture. This was the Kultur that gave to the Germans their sense of superiority over other peoples, and was a contributory cause of the war. - Specialization up to a certain point we must have if civilization is to exist at all. But a limit must be placed somewhere if men are not to disintegrate morally, intellectually and spiritually. This intellectual specialism is the counterpart of the subdivision of labour, and they act and react upon each other to render society increasingly unstable. There is an intimate connection between the convulsions that have overtaken society and this over-specialization, which in one direction tends towards hysteria and in the other towards the dissolution of such social and intellectual traditions as are capable of binding men together in a common bond of sympathy and understanding.

I said that to the development of specialization a limit must be placed somewhere. In the intellectual world no line can be drawn and the only remedy is to exalt the idea of a cultural unity. But in industry it is different. There a line can and should be arbitrarily drawn, and I submit it should be placed at the point craft development had reached before the subdivision of labour replaced the division of labour. To suffer specialization to proceed further is, to use an engineering term, to trespass on the margin of safety. A stable society is one that permits a wide margin of safety. The far-seeing statesman might recognize that wealth could be increased

by the organization of industry upon the basis of the subdivision of labour. But he would also recognize that there was another side to the question, in that an increase of wealth secured by means of the subdivision of labour imperilled the stability of society by trespassing on the margin of social, psychological and economic safety. It was the recognition of this danger that led the Tudors and the Stuarts to assume a conservative attitude towards industrial developments, and is the reason why their ideas and measures were not appreciated by commercial men, who are invariably blind to everything except immediate advantages. But experience has proved that their suspicions were more than justified, for every day evidence accumulates that we only proceed further along the road we are travelling at our peril. Hence the conclusion becomes inevitable that the qualitative standard will have to replace the quantitative one before it will be possible to stabilize society. In other words, if society is to be reconstructed on a basis that allows for a margin of safety, scientific management and the subdivision of labour must be abolished, and a return be made to handicraft as the basis of production, using machinery only in an accessory way. If this were done, machinery might become a blessing instead of the curse it is to-day. It is because the development of machinery has for the most part followed along the lines laid down by the subdivision of labour that it has been so grossly misapplied.

The principle, then, for which we contend is that if machinery is not to be a curse we must, in our use of it, never lose sight of the fact that

human values come first. At all costs the traditional normal human relationships that are to be found at the centre of a normal society must be restored and the use of machinery be limited in such a way as not to interfere with them. If this principle had been always kept in the forefront, then the subdivision of labour would never have come into existence, nor would machinery have been so misapplied. But, unfortunately, instead of taking their stand on this principle as final and irrevocable, a few are tempted by the prospect of immediate gain to depart from it; while the many allow themselves to be cajoled into acquiescence in such abuses by the inference that in objecting to such a method of work they are ignorant and narrow-minded people who are engaged in the impossible task of stemming the tide of progress. Yet nowadays, when the evils consequent upon this development have become too glaring to be concealed any longer, when the prophecies of those who opposed the introduction of machinery have been entirely fulfilled, progressive-minded people are still unwilling to admit the system to be finally and fundamentally wrong, and they hope to restore the creative impulse which this system has destroyed by shifting the worker from one process to another. As some mitigation of the deadly routine to which the factory worker is condemned, there may be something to be said for the proposal, but that it touches in any way the fundamental difficulty is to be denied, for the creative impulse in man can be no more liberated by such means than he would be liberated from a prison because he enjoyed the privilege of being moved from one cell to another. It is not

true, as advocates of this reform maintain, that "the creative effort is not necessarily an individual matter." How groups of people are to associate together "with a single creative purpose and endeavour" I am entirely at a loss to understand. Yet to affirm that such a thing is possible is the desperate position into which those who maintain that our industrial system has a future are finally driven.<sup>1</sup>

The truth is, of course, that all creative work is finally personal. It originates in one mind, though the assistance of others may be used to carry it into effect. Thus the production of this book is a work of co-operation. I write it, the compositor arranges the type, the bookbinder binds it and provides the cover. We co-operate it is true, but we co-operate as a hierarchical order, not as a democracy. Even if the views expressed were the views of a committee instead of being my own, the committee would not write the book. It would need to delegate one of its members to give them expression. So again in respect to building. The architect is responsible for the general design; he may embody the suggestions of others. Yet finally the general design is the work of one man. In the Middle Ages it was the custom for each craft to supply its own details and ornaments. Yet the general arrangement of each building was the work of one man. We speak of the architecture of the Middle Ages being democratic, and it was democratic in the sense that the individual worker enjoyed a liberty in respect to the details of his work that is impossible to-day, and might rise to

<sup>1</sup> See *The Creative Impulse in Industry*, by Helen Marot. E. P. Dutton & Co., New York.

the position of master builder who exercised the function that the architect exercises to-day. Yet it was hierarchical at the same time. No building was the work of a committee, but of an individual who knew how to avail himself of the creative capacity of his subordinates. Such co-operation was possible in the Middle Ages because all shared in a communal tradition of art. It is impossible to-day because no such communal traditions exist.

It is to this Medieval system that we must get back. It is not incompatible with the use of a certain amount of machinery for doing the rougher and heavier work that lies at the base of industry, but it is incompatible with the subdivision of labour, for that cuts at the roots of the creative impulse, and therefore it must be abolished. As to the practical application of such principles, there is no difficulty at all in knowing what is meant by the abolition of the subdivision of labour, but when we demand that the use of machinery be limited many people suppose there is a difficulty about drawing the line. And, of course, there is a difficulty until we are clear in our minds as to why it should be regulated. But if we were firm in our belief that the creative impulse is natural to man, we are in possession of a principle that would guide us. There would be no difficulty in knowing where the use of machinery should be prohibited. Anyone of æsthetic sensibility with any practical experience of craft production would know instinctively where the line should be drawn, and the public could easily find out if they meant business. Their difficulties are really imaginary, since if they were persuaded of the necessity or

desirability of regulating machinery, they would trust the judgment of men with experience of craft production to give effect to their wishes as they do in other matters where expert knowledge is required.

If the principles I have enunciated were followed, the volume of machinery would be reduced enormously in bulk. We should not require a tithe of the machinery that we use to-day. But we should be better off, since for a long time we have not benefited by our increased capacity for production. In the early days of industrialism the increased use of machinery did confer material benefits, but for a long time new machinery has done little more than increase competitive waste. More cotton and woollen goods are produced, but the quality is lowered to preserve the balance between demand and supply. As costs of production have decreased, selling costs have increased by reason of the ever increasing expenditure on touts, salesmen, advertising, and the growth of cross distribution. Further, the growth of artificial conditions of life that has followed our excessive use of machinery makes living ever more costly and more unsupportable. An increasing proportion of our income is spent on train fares, bus fares, postage, rent, taxes, etc., which all tend to go up. Meanwhile the growing disproportion between industrial and agricultural life tends to increase the cost of living. Thus our earnings run to waste, and though inflated prices are falling, yet the factors which tend towards a steady rise of the cost of living are permanent.

\* But it will be said: These things may be so,

yet it is hopeless to attempt to abolish the division of labour or to limit the use of machinery. The workers at the time of the Chartist agitation hated the factory system which fell upon them with such cruel force, and might be rallied to the support of a movement that would keep mechanical production within bounds. But it is different now. The worker of to-day has little of this spirit in him. He has no experience of the handicrafts, and so he accepts the system into which he was born as a part of the natural order of things. He has become too much a part of the system to rebel against it. To which I answer, that while not denying the truth in such scepticism, yet the question is not finally how I or anybody else is going to change the industrial system, but how the capitalists and their apathetic multitudes are going to preserve it from destruction. This problem becomes every day more pressing. Now that the markets are no longer expanding, every new machine introduced displaces labour, and unemployment is becoming as chronic as it was in the Chartist period, and this will lead men to think again about the machine problem as they did then. Already men are beginning to talk about the displacement of labour by machinery. I have heard more people talk about it during this last six months than during the whole of my life. Let us wait a little, and what the few who are directly affected are saying will soon be in everybody's mouth. The newspapers have not got hold of it yet, but maybe the day is not far distant when the *Spectator* will begin to think as it thought in the forties and reprint the article which it then headed "More factories—more pauper-

ism." Anyway, we are back in the Chartist period with this difference. That as neither railway building nor the expansion of foreign markets offer us a path of escape, and there is no other way out that we can see, the industrial problem must remain insoluble until its central problem—the relation of men to machines—is faced.

## IV

### MACHINERY AND ECONOMIC THEORY

THE existing system of society has to-day but few whole-hearted adherents. Those who still defend it are people of the conservative and unimaginative type, who are always prepared to defend an established fact because they lack the imagination to conceive of any other. But with all thinking people the present system is regarded as entirely indefensible. They are, however, divided into two opposed and contradictory schools of thought. Socialists demand the abolition of all private property, apart from personal possessions, while Distributivists, as their name implies, demand a redistribution of property—their ideal being that of a nation of small property owners.

Now, on first acquaintance these two schools of thought appear to be entirely irreconcilable. Yet both are at bottom conditioned by their attitude towards machinery. The Socialist attitude, as we saw, had its origin in the fact that after 1806 machinery began to displace labour. Owen saw that if society was to remain stable, an increase of production must be accompanied by an increase in consumption. Yet machinery, by reason of the fact that it displaced labour, tended to undermine consumption. It was manifest that the wage system—the system of distributing purchasing

power by means of payment for work done—was breaking down. What, then, was to become of the working-class under such conditions? If society was to continue on the existing individualistic competitive basis, he concluded, the workers must perish. Hence he demanded the substitution of a communal or co-operative organization of society in place of the competitive one, and this involved the abolition of all private property. We see, therefore, that the Socialist demand for the abolition of private property was necessitated by the need of guarding society against the evils which accompanied the unrestricted use of machinery. It is true that the idea is much older, and is to be traced back to the Medieval Communists, who maintained that the existence of private property was contrary to the teaching of Christ. But the idea made little or no headway until machinery threatened the stability of the old order, and though the motive that led the early Socialists to this conclusion has been lost sight of, yet there can be no doubt that the sense of insecurity that has followed the spread of machine production has led to the widespread acceptance of the idea of abolishing private property.

But it is no easy matter to abolish an institution so deep-rooted as that of private property. It is now a century since the idea was first promulgated, and yet, in spite of the fact that it is widely believed in, and many thinkers have worked out schemes for the transfer of property from private to public ownership, we are as far from its realization as ever. Meanwhile a suspicion gains ground that it is not only impracticable but undesirable. Guild Socialists dealt it a telling blow by attacking

the organization of society on a bureaucratic basis which it involved, while Distributivists challenged the idea direct. They maintained that the evil did not reside in the institution of property as such but in the fact that at the present time the idea of responsibility attaching to property had broken down while so very few people possessed any property at all; that the possession of property guaranteed a man independence; and that it was indispensable to the performance of active function. It must not be abolished, for to do so would be to make every one servile pensioners of the State. This theory, whose principal advocates were Messrs. Belloc and Chesterton, found many supporters, but the difficulty of basing any practical activity upon it was equal to that of the opposed theory of the nationalization of property, for it was evident that it had no relevance to the existing situation apart from the dissolution of industrialism and the restriction of the use of machinery, for it is impossible to solve the problem of industrial capitalism on this basis.

Mr. Tawney<sup>1</sup> attempts the discovery of a *via media*. He holds that opposing theorists have usually been discussing different things. The Socialist is primarily concerned with the problem of industrial capital, while the Distributivist thinks primarily of an agricultural community in the future. He attempts therefore a reconciliation of these opposed theories by means of a careful discrimination between different kinds of property, which, as he says, is the most ambiguous of categories. He distinguishes between two kinds of property: that which accompanies the perform-

<sup>1</sup> *The Acquisitive Society*, by R. H. Tawney.

ance of function and that in which ownership is divorced from use, and while he proposed to retain the institution of property in so far as it is accessory to function, he proposes to abolish all types of property in return for which no function is performed, thus effecting a return to the Medieval principle of reciprocal rights and duties. Or to put it another way, he proposes that the Distributivist position be accepted in so far as it can be applied. But with regard to industrial enterprises where it cannot be applied, he would vest the ownership and control in the hands of professional organizations of the workers, i.e. Guilds. Though Mr. Tawney has by his analysis done a great deal to clarify the issues, his position seems to me to be weak to the extent that he assumes our industrial system to be a thing of permanence, for though he criticizes industrialism, he yet does not regard the unrestricted use of machinery on a basis of the subdivision of labour as its essence. On the contrary he maintains that its evils arise entirely from a state of consciousness—a particular estimate of the importance of industry which treats industrial activities as an end in themselves rather than as a means to an end. But surely such an explanation is inadequate, for it is impossible to suppose that such a state of consciousness could ever have come to dominate society in the way it does apart from the existence of our mechanical means of production. It is equally impossible to suppose that such a state of consciousness can ever be expelled from society so long as the subdivision of labour and the unrestricted use of machinery is permitted, since so long as such methods of production obtain, other.

interests will be crowded out of life. To attack industrialism as a state of consciousness and to refuse to attack it as a method of production appears to me to be as futile and illogical as it would be for an anti-militarist to concentrate the whole of his attack on the mentality of jingoes, while denying that the limitation of armaments was germane to the issue. It may be true that the peril of militarism is not to be found finally in armaments, but in the mentality of the military caste, yet we are all aware that their potentiality for evil bears a definite ratio to the armaments in their possession.

When we turn from a consideration of the problems of property to those of currency, which have attracted so much attention of late, we find that the fact that the unrestricted use of machinery is taken for granted is finally at the root of the perplexity in which the subject is involved ; since apart from such an assumption there would not be so much discussion at cross purposes, and the issues would resolve themselves into those of morals and organization. The truth about currency is simplicity itself. It is that money used as a *medium of exchange* only operates to the public advantage when it is at the same time used as a *common measure of value*, or in other words, when it stands in a close and definite relationship to the real values it is supposed to represent. All the supposed problems of currency which often lead people to believe in the existence of a kind of economic witchcraft arise from the fact that people who are interested in finance have no intention of using money as a common measure of value. On the contrary, they want to use it for the purpose of making more money, and this is where the trouble

begins. In the Middle Ages this clear, moral issue was recognized, but in our day it is obscured by the fact that the restriction of money to its legitimate use as a common measure of value is incompatible with the idea of industrial expansion. Most people take it for granted that such expansion is a natural and normal thing to which there are no limits, instead of being what it really is, a very abnormal thing, due to the unrestricted use of machinery on a basis of the subdivision of labour, and that the limits of such expansion have now been reached. In consequence, they reject the simple truth that the only legitimate use of money is as a common measure of value as entirely irrelevant, even when as Socialists they have no financial ambitions themselves. The trouble is that the average man to-day, being divorced alike from religion and art, can only think in terms of quantities. The idea of progress to him is a quantitative conception, and he therefore rejects all ideas that involve the abandonment of the quantitative standard, though if he could only see, it is precisely because such ideas do challenge the quantitative standard that they should be followed, since only the replacement of the quantitative standard by a qualitative one can emancipate society from the tyranny of circumstance in which it is enmeshed. There can be no doubt whatsoever that industry will never move in the direction of a qualitative standard until a boundary has been put to the quantitative one.

It always happens that when the simple truth of things is rejected a subject becomes involved in contradictions, and so it has come about that students of currency, having rejected the idea that

money should be used as a common measure of value, oscillate between a belief in the efficacy of the gold standard and of paper currency. The faith of the commercial world is on the whole in favour of the maintenance of the gold standard, while currency reformers are invariably advocates of a paper currency. The theories of the advocates of Free Banking to-day bear a remarkable likeness to those of the currency reformer, Thomas Attwood, who a century ago advocated the same measures to meet the same problem. They are agreed that the gold standard is the root of the trouble, and demand its abolition. The employment of labour and the production of wealth are only rendered possible through the agency of the circulating medium. Hence it follows that every increase of trade should be accompanied by a corresponding increase in the volume of currency in circulation, or a currency becomes unequal to its duties, and booms in trade are automatically and abruptly brought to an end. But such expansion of the currency is impossible so long as currency remains on a basis of gold, because as the supply of gold is limited, a currency based upon the gold standard is incapable of expanding with the expansion of trade. Hence they demand the removal of all restrictions on the issue of paper money, for on such a basis a currency can expand indefinitely. The answer of those who defend the maintenance of the gold standard is that if no artificial check exists to the issue of currency, money soon loses touch with the real values it is supposed to represent; for the wholesale issue of money results in a depreciation of the currency, which, under such conditions, tends to fall and fall until the value

of notes is worth no more than the value of the paper on which they are printed, as has happened in Russia, Poland and other parts of the Continent. While again, if there was no restriction of the issue of credit there would be nothing to ensure that goods produced would bear any relationship to demand, inasmuch as if credit were made available in unlimited quantities there would be no check on the production of unwanted articles.

But if the upholders of the gold standard can successfully refute the arguments of the Free Bankers, they can finally only do so by arguments that can be turned against themselves. For if it be true that an artificial check on the issue of currency and credit is necessary to prevent, on the one hand, money losing touch with the real values it is supposed to represent, and on the other to ensure that the actual production of goods shall be such as is in demand, it demonstrates the impossibility of industry ever getting on a stable basis so long as speculation remains the driving force in industry. But if speculation is to be eliminated from the conduct of industry, it can only be on the assumption that money be restricted to its legitimate use as a common measure of value, and if it be so restricted, what becomes of industrial expansion?

Without doubt my efforts to connect the problems of currency with that of the unrestricted use of machinery will sound to many of my readers like special pleading. Yet I am not really so heterodox as I appear, for it so happens that the City Editor of *The Times*,<sup>1</sup> in answering

<sup>1</sup> *The Times Trade Supplement*, April 16, 1921. The article is included in *Unemployment: A Remedy*, by Arthur Kitson (Cecil Palmer).

Mr. Kitson's articles on Unemployment in which he develops the ideas of Free Banking, found he could only refute him by assuming what is substantially the same position, for he says: "The solution of the unemployment problem lies not in the manufacture of money but in the *regulation of complementary production*." Such an admission coming from such an orthodox quarter is not without significance, for if it does not mean that machinery should be regulated and speculation suppressed then I can only ask What does it mean?

We see then that on its present basis the subject of currency is a vicious circle from which there is no escape apart from a change in outlook. So long as currency reformers accept the exigencies of the industrial situation as the starting-point of their analysis, they must inevitably arrive at the contradictory conclusions already described, while the utmost that they can possibly achieve is to devise some means of perpetuating the existing system of industry; they cannot hope to lay the foundations of a new one; since any new system must not only be based upon the principles of justice and equity, but upon the assumption that in any new society machinery will be controlled and the subdivision of labour abolished, and if such measures were taken, nothing apart from moral perversity could stand in the way of a return to the Medieval idea that currency should not only be a medium of exchange but a common measure of value, and the only way of ensuring such a desideratum is to fix the price of everything, since so long as prices are left to be determined by the higgling of the market, the merchants and middlemen, because they specialize in market conditions,

will remain in a position to exploit the community by speculating in values.

But how can fixed prices be maintained? Conventional critics are apt to dismiss the idea as altogether unpractical, maintaining that in times of crisis fixed prices have been resorted to time after time as a remedy for the evil of profiteering and that they have invariably failed. It is not necessary to dispute such facts, but to point out that the failures to fix prices of which history affords many examples were due to the fact that such attempts were of the nature of panic legislation rather than part of a methodical plan. The attempt to fix prices during the French Revolution is a case in point. It failed because there were no organizations in existence to give effect to the decision of the Convention. But such critics appear to be unaware that under the Medieval Guilds fixed prices were maintained for several hundreds of years. Indeed it was to perform this very task, to guard society against the evils consequent upon speculation in prices that the Guilds first assumed economic functions. Prior to the eleventh century when this new development took place, Guilds were already in existence. Any group of men who had any common interest organized themselves into Guilds. There were Guilds for social and religious purposes, for mutual aid, for defence, for common aid in legal matters, for fishing and hunting, for repairing the highways and bridges, etc. Such Guilds would be very much like the voluntary associations that exist to-day for all kinds of purposes. But in the eleventh century, when order was restored after the barbarian invasions, which in the ninth and tenth centuries had involved

Europe in chaos, there began a great moving of the stagnant waters. Trade began to develop, markets were established and towns began to come into existence. It soon became apparent that such commercial development was not an unmixed blessing, and to meet the new danger that threatened society, the Church came to insist upon two doctrines—that wares should be sold at a Just Price, and that usury was sinful—and enforced obedience from the pulpit, in the confessional and in the ecclesiastical courts. So effectually were these two doctrines impressed upon the consciences of men that their principles found their way into all the secular legislation of the period whether of Parliament, Guild or Municipality.

The differing fortune which followed legislative attempts to secure obedience to the principle of the Just Price is instructive, for it demonstrates beyond doubt the superiority of the Guild as an instrument for the performance of economic functions. Parliament could do nothing more than enact laws for the prevention of profiteering in its various forms of forestalling, regrating, engrossing and adulteration, and as such it was negative and finally ineffective. The Guilds, on the contrary, were positive. They sought to give effect to the principle of the Just Price by making it at the same time a Fixed Price. And around this central idea they gradually built up the wonderful system of corporate life of the cities. Thus in order to perform their economic functions, the Guilds had to be privileged bodies, having a complete monopoly of their trades over the area of a particular town or city; for only through the exercise of authority over its individual members could the

Guild enforce a discipline. Profiteering and other trade abuses it ruthlessly suppressed : for the first offence a member was fined ; the most severe penalty was expulsion from the Guild, which meant that a man lost the privilege of following his trade or craft in his native city.

But a Just and Fixed Price cannot be maintained by moral action alone. If prices are to be fixed throughout industry, it can only be done on the assumption that a standard of quality can be upheld. As a standard of quality cannot be defined in the terms of law, it is necessary for the maintenance of a standard, to place authority in the hands of craftmasters, a consensus of whose opinion constitutes the final court of appeal. In order to ensure a supply of masters it is necessary to train apprentices, to regulate the size of the workshop, the hours of labour, the volume of production and so forth ; for only when attention is given to such matters is it possible "to ensure the permanency of practice and continuity of tradition, whereby alone the regulation of the Guild for honourable dealing and sound workmanship can be carried on from generation to generation," and conditions created favourable to the production of masters. Thus we see all the regulations—as indeed the whole hierarchy of the Guild—arising out of the primary object of maintaining the Just Price.

But it will be said : If the Medieval Guilds were such excellent institutions, why have they disappeared? The immediate cause was that they were not co-extensive with society. They existed in the towns, but they never came into existence in the rural areas. That was the weak place in

the Medieval economic armour ; for it is obvious that if a fixed price was finally to be maintained anywhere it would have to be maintained everywhere, both in town and country. That Guilds were never organized in the rural areas is to be explained immediately by the fact that in the eleventh and twelfth centuries, when Guilds were organized in the towns, the agricultural population was organized under Feudalism and money was only beginning to be used, so the problem was not so pressing. But the ultimate reason is to be found in the fact that the impossibility of maintaining, in the long run, a Just Price that was not a fixed price was not at the time appreciated by the Church, which appears to have been blind to the need of Guild organization for its maintenance. It thought, as religious people are apt to think to-day, that the world can be regenerated by moral action alone, never realizing that a high standard of commercial morality can only be maintained if organizations exist to suppress a lower one. Hence it came about that when in the thirteenth century the validity of the Just Price came to be challenged by the lawyers, who maintained the right of every man to make the best bargain he could for himself, basing their authority upon the Justinian Code, belief in the infallibility of which had accompanied the revival of Roman law, the moral sanction on which the maintenance of the Just Price ultimately rested came to be undermined. It lost its hold on the country population, and the Guild regulations came to be regarded as unnecessary restrictions on the freedom of the individual. Thus a way was opened in rural areas for the growth of capitalism and speculation, and this reacted to make

it increasingly difficult for the Guilds to maintain fixed prices in the towns, until at last, in the sixteenth century, the whole system broke down amid the economic chaos that followed the suppression of the monasteries and the wholesale importation of gold from South America, which doubled prices all over Europe. Since then, capitalism has carried all before it.

## V

### MEDIEVAL AND NATIONAL GUILDS

ONCE it is realized that the Medieval Guilds were organizations that existed primarily for the maintenance of economic justice and equity, and that they broke down, not from any defect inherent in their constitution, but because they were never co-extensive with society, we begin to understand that one of the conditions of getting capitalism into subjection is to make Guild organization co-extensive with society. Yet when we suggest this approach, we are told that any such return to an old method of organization is impossible, inasmuch as the old form of Guild organization is not adapted to the circumstances of modern industry with its vast machinery and large organizations, and we are admonished by sundry critics to abandon our project of restoring the Medieval Guilds, and to work for the establishment of National Guilds, which they tell us are more adapted to the modern conditions.

Now, such advice sounds very plausible, so plausible, in fact, that to most people it must appear as if nothing but sheer personal perversity prevents us from accepting it. Yet this is not the case, since Medieval and National Guilds are not opposed ideas, as is popularly supposed, but complementary ones ; while the success of the National

Guild Movement in no way excludes or militates against a revival of Guilds of the Medieval type, as will become evident when the position is clearly understood. They are concerned with different things. National Guilds are concerned with the problem of the large modern industry, and it would tend towards the elucidation of the subject if they were called Industrial Guilds rather than National Guilds, which is a misnomer. The advocates of Medieval Guilds, on the contrary, are primarily interested in the crafts, small industries and agriculture, and they are as much concerned to discover how such activities may be restored to their former integrity as they are in bringing them under Guild control. Such being the case, the relative importance which we attach to these two branches of Guild activity depends entirely upon our opinion as to what will be the future of Industrialism. If it is believed, as National Guildsmen did believe, when their theory was first launched, that the future is entirely with the large industry, before whose advance the crafts must eventually disappear, then Medieval Guildsmen will appear as anachronisms. But if, on the contrary, we recognize, as Medieval Guildsmen all along have recognized, and as National Guildsmen have recently come to believe, that our industrial system is a thing altogether abnormal, carrying within itself the seeds of its own destruction, and is even now on the verge of collapse, then the subject begins to wear a different complexion. The Medieval Guildsman will no longer appear as an anachronism, but as a Futurist in the best sense of the word, inasmuch as he is not content to build his house on the sands of the seashore. Such a view of the fate

of industrialism in general is not incompatible with the frank recognition of the fact that certain aspects of the system may survive while, if we do not come to the conclusion that National Guilds have no validity in the future, we at any rate may recognize that in any normal society the area of their activities will be very much circumscribed.

But there is another path of approach. We may approach Medieval Guilds from the point of view of craft organization, or from the point of view of the moral and economic principles that they existed to uphold. If we look at them from the former point of view, their picturesqueness may interest us, though their possible application will appear circumscribed. But if we look at them from the point of view of the moral and economic principles they existed to uphold, we shall come to recognize them as the type and exemplar of all true institutions, inasmuch as they stood for something that has universal validity, and is in no way limited by the details of their organization. From this point of view, the issue between Medieval and National Guilds is not one of drawing a line of demarcation, of defining their respective spheres of influence, nor finally, between the rival claims of centralized and federated or local organization, but between two different conceptions of the purpose of a Guild. Thus the essence of the National Guild idea is the conception of the organization of industry on an entirely self-governing basis, without any admixture of private interests; while the essence of the Medieval Guild idea is that of a court of appeal, whose primary function is that of maintaining a discipline among the members of a particular industry. For remember, the

Medieval Guilds did not seek to organize industry, but to control it. They did not seek to supplant the private individual producer by any system of co-operative production. On the contrary, they frankly accepted the principle of the private management of industry, and sought only to superimpose over each industry an organization to regulate it in the same way that professional societies enforce a discipline among their members to-day, with the difference that in addition to upholding a standard of professional conduct the Medieval Guilds were, at their best period, concerned to promote a certain measure of economic equality between their members, in the same way that Trade Unions are to-day. They insisted that all who engaged in any industry should conform to the regulations of the Guild, which fixed prices and rates of wages, regulated apprenticeship and enforced a standard of quality in production, preventing adulteration and bad workmanship, and ordered all other matters appertaining to the conduct of an industry and the personal welfare of its individual members.

Now, what is there to stand in the way of the application of such principles to-day? Though the circumstances of modern industry differ from the circumstances of Medieval industry, yet there is no technical difficulty that stands in the way of the establishment of such control over industry, for the principles to be applied are finally nothing more than the enforcement of moral standards. The only difference between their application under the Medieval Guilds and under our supposed modern Guilds, which aim at the same purpose, would be that, whereas the former exercised control over

employers and workers engaged in small workshops owned by small masters, the latter would exercise control over employers and workers engaged in large and small factories and workshops owned by private individuals, limited liability companies and self-governing groups of workers. To make such control effective, it would be necessary to depart from the rules of the Medieval Guilds to the extent that authority would be vested in the whole body of members—employers and workers—instead of being exclusively in the hands of the masters, as was the case in the Middle Ages. For the typical employer to-day is not a master of his craft, who is jealous of its honour, as was the Medieval employer, but a financier, who is only interested in the profit and loss account, and therefore could not be trusted with final authority. This consideration enforces the conclusion that if any standards of honesty and fair dealing are to be upheld, prices fixed, machinery and other matters necessary to the proper conduct of industry to be regulated, the final authority would have to be vested in the trade as a whole, for only those who suffer from the growth of abuses can be relied on to take measures to suppress them.

In support of this contention, that the obstacle in the path of a restoration of Guilds of the Medieval type is moral rather than technical, attention should be directed to the activities of the Industrial Council of the Building Industry,<sup>1</sup> better

<sup>1</sup> The scheme of the Whitley Councils was modelled upon that of the Industrial Council of the Building Industry, with the difference that whereas the latter frankly accepted the co-operation of the Trade Unions the former refused them recognition in the workshop. Hence the opposition of Labour to the Whitley Councils.

known as the Building Trades Parliament, since there are invaluable lessons to be learnt from its experience. This body, which consists of representatives of all Building Trade Employers Federations, and the Trade Unions of England and Scotland, and whose deliberations are watched with close attention by economic students all over the world, had its origin in an attempt to bring disputes in the building trades to an end by removing the causes of suspicion and distrust existing between the employers and the workers. The employers objected to any increase of wages apart from an increase of output, to which the workers in their turn objected. Subsequent negotiations revealed the fact that there were four main factors tending towards a restriction of output. They were (a) Fear of unemployment ; (b) Expressed disinclination of many of the operatives to make unrestricted profit for private employers ; (c) Lack of interest in the industry evidenced by operatives owing to their non-participation in control ; (d) Inefficiency, both managerial and operative.

These obstacles revealed themselves as the crux of the whole difficulty, and frankly facing the situation, the joint committee of employers and operatives set themselves the task of finding ways and means of overcoming them by the promotion of what they rather aptly termed "the team spirit in industry." It resulted in a proposal to organize the Building Industry on a basis of public service. After working for four years on the problem, Majority and Minority Reports were submitted by members of the Management and Costs Committee to the Council at a Conference held in London on November 11 and 12, 1921. The former,

which is our immediate concern, divided its proposals into three parts. The first was a scheme with proposals for the regularization of demand, the decasualization of labour, unemployment and holiday pay, superannuation and a minimum system of accountancy and costing. It was recommended for immediate inclusion in the working agreements between the affiliated association of Employers and Trade Unions, without prejudice to the further consideration and discussion of the great question of industrial control, which lies at the centre of the problem of efficient service, and with which the second and third part of the Report deals.

In respect of industrial control, the second part of the Report advanced the proposal that employers and operatives should submit themselves to the control of an organization that would, on the one hand, retain the principle of private management of industry, and on the other hand eliminate entirely the element of profit-making from industry. The means by which this end was to be attained was by guaranteeing salaries to owners, managers, and managing staffs, commensurate with their ability, while allowing a regular rate of interest for the hire of capital, which should be not less favourable than the prevailing rate yielded by debentures in other industries, and by guaranteeing to the operatives standard rates of pay that would ensure a real and satisfactory standard of comfort. The last part of the Majority Report advanced a proposal which was frankly admitted to be an ideal, It was for the organization of a National Guild of Builders, a complete scheme of democratic control, based upon the whole of the personnel, of the

National Federation of Building Trade Operatives, and other approved organizations of building trade workers, whether administrative, technical, clerical or operative, much on the lines of the Building Guilds.

The Minority Report, which represented the views of a majority of the employers, objected to these proposals for two reasons. Firstly because, as they said, the proposed scheme was a system of which the world has no recorded experience of its having been successfully applied, and therefore they preferred to stand by the present system, because it had persisted in all ages and all countries, and was therefore to be considered as normal; and secondly, because the scheme involved a change in the motive of industry, which they contended was impossible, inasmuch as only the love of gain was capable of supplying a sufficient incentive to industrial undertakings, and therefore industry would suffer demoralization if this motive were removed.

It can occasion no surprise that opposition was forthcoming. Ideas so revolutionary can only become really practical after the lapse of time, after a long propaganda has been undertaken on their behalf, when they have become common property and familiarity brings consent. Hence it was that at the Conference already referred to, a resolution was carried which threw the responsibility for the main decision on the national adherent bodies, while the Management and Costs Committee was asked further to consider and report on the less controversial details. To make a long story short, the matter has been shelved, and it is likely to remain so for an indefinite period, for there can be no doubt as to the fundamental character of the

opposition. It first found expression in the debate on the Interim Report (August, 1919), at which I was present, and it was certainly a most instructive debate. It was not a debate between employers and operatives as such, but between two rival conceptions of industry—production for service versus production for gain. The operatives, with a minority of employers on the one side, fighting a majority of employers on the other. The latter group maintained that the only incentive to industrial efficiency is love of gain, and that all classes of the community will be best served by maintaining unhampered our present competitive system of enterprise and industry. The other group as obstinately maintained that the real incentive is the joy of service, and not the love of gain—the creative impulse, not the possessive one. The debate, having taken this turn, was no longer concerned with the details of the scheme. It became a debate on morals, in which appeals were made to the authority of Christianity and Ruskin. I never realized before how far the influence of Ruskin had penetrated. Everybody, employers and operatives alike, appeared to be familiar with his teachings, and he was accepted apparently by both sides as a final court of appeal, though how it came about that employers, who maintained that only the motive of gain could be a sufficient stimulus to industrial efficiency, reconciled their ideas with Ruskin and Christianity is a mystery I will not attempt to explain.

Now, what bearing has all this on the issue of Medieval and National Guilds? Just this: that when representatives of employers and operatives began to consider practical ways and means of

organizing a great industry for public service, unhampered by *a priori* theories of class antagonism, they instinctively proceed along Medieval lines as the line of least resistance, since, apart from the proposal to form a National Guild of Builders on the lines of the Building Guild, which was included in the report as an ideal rather than as a practical measure, the Report is Medieval through and through, inasmuch as the practical proposals advanced frankly accept the principle of the private management of industry, while seeking to superimpose over such private businesses an organization that would regulate it so as to eliminate entirely the motive of profit-making. This is all the more remarkable because the original source of inspiration was more a product of the National Guild than the Medieval Guild propaganda, as is evidenced by the fact in the Majority Report the National Guild, rather than the Medieval Guild, was postulated as an ideal.<sup>1</sup>

This, I feel, was a pity ; not only because the great monuments of Gothic architecture were produced by the Medieval Guilds, but because a frank

<sup>1</sup> I am not sure whether this can be said of Mr. Thomas Foster, the Chairman of the Management and Costs Committee, for in a pamphlet entitled *Masters and Men*, which had something to do with the organization of the Building Trades Parliament, he draws a comparison between the chaotic conditions existing in the building trades to-day, with those that existed in the Middle Ages, while he recommends that the building trades should be organized on some such co-operative basis. He qualifies himself only to the extent of adding, "The methods of the old Craft Guilds cannot be applied in their entirety to the conditions of present-day industry, but the suggested application of the principle of Craft co-operation cannot be lightly dismissed."

acceptation of the Medieval Guilds as an ideal would have given the reformers a perfectly consistent position, inasmuch as Parts I and II of the Report, which were recommended for immediate adoption, were defensible as steps towards the restoration of Medieval Guilds, but not as steps towards a National Guild, which appears in the Report as an anti-climax. By maintaining a consistent position, they could have put up a much stronger defence against the opposition. For the majority of employers could not then have opposed the scheme on the grounds that it proposed to establish over the building trades a system of organization of which the world has no recorded experience of its having been successfully applied. The great monuments of Medieval architecture could have been cited as proving the contrary, and these, it could have been urged, were just as much the counterpart of the economic order, that obtained under the Medieval Guilds; as the chaotic architecture of to-day is the counterpart of the economic chaos that follows economic individualism.

And there is another lesson that we may learn from the experience of the Building Trades Parliament. It is that behind the problem of organization there is to be found the problem of morals, for men take sides ultimately on moral issues. Economic theories may be the occasion that divides them. But it is the moral issue that finally divides men, for, as we saw, the difference of opinion over the practicability of the proposals of the Building Trades Parliament resolved itself finally into a question of morals: the question as to whether any other motive but that of gain could ever promote industrial efficiency. And here again it is to be

observed that a frank acceptance of the Medieval Guilds as an ideal would have strengthened the hands of the reformers, for the issue would no longer have been one of opinion, but of fact.

The moral issue, then, is fundamental. It not only separates those who uphold the present competitive order of society from those who demand the reorganization of society on some corporate or communal basis, but it also underlies the division of opinion among reformers themselves. The scheme of the Building Trades Parliament developed along the lines it did because it was based upon the assumption that the goodwill necessary to put it into operation would be forthcoming. But when such hopes were disappointed, and it became evident that the scheme would not be acceptable to a majority of the employers, a new development took place. The Manchester section of the Operatives Federation seized the opportunity that the housing shortage provided, by setting up a Building Guild Committee, and made an offer to the City Council (Feb., 1920), to build two thousand houses. This action led to the organization of Building Guilds in various parts of the country, of which upwards of a hundred are nowadays (Dec., 1921) in existence, and which we must now proceed to consider.

Now, this new development did not proceed along the lines of the Medieval Guild, but of the National Guild, and this followed naturally from the fact that, as a result of the refusal of the employers to co-operate, their organization had to be based upon the personnel of the local Federations of Building Trade Operatives rather than upon the building industry as a whole. In providing an

answer to the contention of the majority employers of the Building Trades Parliament, that only the motive of gain can supply a motive power to industry, the Building Guilds have more than justified their existence, for they have demonstrated beyond a shadow of doubt that an organization in which the workers participate in control promotes efficiency by securing their loyalty and goodwill. But there is no reason to suppose that they will be any more successful than the Building Trades Parliament in effecting the guildization of the building trades as a whole, for their position is precarious in the extreme. They came into existence to execute the Housing schemes of various municipalities, and it is possible that with their completion they may disappear, for there is no denying they are very much at the mercy of circumstances. They are at the mercy of the Government's housing policy, and they may be strangled by the Anti-Waste campaign, while, as it so happens that financial and industrial activities have in every direction reached a deadlock—and a deadlock that will remain until the facts underlying it are frankly faced—the prospects of getting hold of a sufficient quantity of private work to enable them to carry on is doubtful.

If, then, there is no prospect of the Building Guilds being able to effect the guildization of the building trades, there is still less of this principle being able to effect the guildization of our industrial activities as a whole, for no other large industry is as fortunately placed as the building industry for embarking on such an experiment. The Building Guilds were possible because of circumstances peculiar to the building trades. There was,

in the first place, the housing shortage, which provided the immediate opportunity. There were labour-controlled municipal councils that were in a position to give them work, while there was the further consideration that the element of fixed capital, so important in other large industries, is, in the building trades, unimportant compared with the charges connected with each particular job, material and labour entailing almost the whole costs in the building. These circumstances made the principle of industrial self-government a fairly simple proposition for the building trade operatives, but it obviously supplies no more precedent for the guildization of other large industries where immense fixed capital is required, and where the market cannot be localized, than the municipal gas and water of Collectivists provided a basis for the nationalization of all industry.

Nevertheless, the influence of the Building Guilds is not going to be ephemeral. If they provide no precedent for the guildization of other large industries, they do apparently for small industries, for a whole crop of small Guilds are coming into existence. There is a Furnishing Guild, a Clothiers Guild, and an Agricultural Guild already in existence ; while news reaches us of a Dairy Guild, a Blacksmith's and Farrier's Guild, a Fruit Grower's Guild, a Packing Case Guild and a Commercial Vehicle Maker's Guild that are in process of formation. Whether any of these Guilds will be able to establish themselves permanently is extremely doubtful, for they are being launched amid adverse economic conditions. Should they fail, as they may,\* it can be safely predicted that their failure will be followed by some disillusionment of many

who are nowadays so hopeful, while it is a certainty that the failure will be used by opponents to discredit the Guild Movement. But Medievalists must attempt to assess these experiments at their true valuation. Their failure will not discourage them, for they have always been somewhat sceptical about National Guild policy. They have always maintained that our industrial system was not a thing of permanence and stability, and doubted the possibility of successfully superimposing Guilds over its activities. So while I should welcome the success of these experiments as removing an obstacle from our path, yet such success is not guaranteed, for behind the economic problem is the problem of men and machines, and the unwillingness of reformers to face this fact places us at the mercy of forces we cannot control.

Whatever may eventually prove to be the fate of these Guilds their organization has been more than justified, for they have cleared up for us many issues, while providing us with invaluable data that will pave the way towards a more intelligent discussion of the subject. But even if they should survive the present economic crisis, it would be a mistake to expect that any national system of Guilds could follow a mere extension of their activities. For one insuperable obstacle stands in the way of any such development—the tendency for all such activities to become choked by a multiplicity of committees. To guard against this evil, such self-governing bodies must be local and small. The units of their organization must be as small as is consonant with the function they are required to perform. And if for such purposes as those of finance and the buying of

material a larger unit is found desirable, then the larger unit must consist of federated groups, while the functions of such federated groups should be limited to those that can be performed properly in no other way. Hence any national organization must be independent of such bodies. The National Guild will be of the Medieval type on the lines foreshadowed by the Report of the Building Trades Parliament ; because seeking to regulate industry rather than to organize it, the issues with which it would have to deal would be few. Such an organization would not suffer from too great a multiplicity of committees. Under the control of such national organizations of the Medieval Guild type, Guilds of the Building Guild type would find a place side by side with privately conducted businesses.

## VI

### INDUSTRIALISM AND GUILDS

IN a recent article in the *Labour Monthly*,<sup>1</sup> Mr. W. Mellor criticizes National Guildsmen, saying that "they began as compromisers and they have been compromising ever since." The criticism is valid ; National Guild theory was a compromise. It was a compromise between Medievalism and Industrialism, and the movement has been compromising ever since, because it was committed to a theory that attempted to reconcile irreconcilables.

The truth of this can best be demonstrated by following the fortunes of the National Guild League, into whose hands the development of National Guild theory passed, once its organization was formed. The National Guilds League, though it borrowed Medieval principles, was modern in that it did not question the permanence and stability of our Industrial system. But having been born of a compromise it was unstable and found itself at the mercy of circumstances. The choice before the movement was whether it would become more modern or more Medieval. But upon this vital issue it could never make up its mind, and so it happened that it came to travel in opposite

<sup>1</sup> *A Critique of Guild Socialism*, by W. Mellor, *Labour Monthly*, November, 1921.

directions. Its theory became more Medieval and its policy more modernist and revolutionary. Let me explain.

As originally formulated, the National Guild theory was that of a number of highly-centralized Guilds working in conjunction with the State. Nowadays National Guilds are not interpreted by the League as highly-centralized Guilds, but as a federation of local Guilds, while the idea of the sovereignty of the State has so far disappeared that it no longer finds a place in the basis of the League. Thus when the League was founded its objects were stated to be :

"The abolition of the Wage System and the establishment of self-government in industry through a system of National Guilds working in conjunction with the State."

Nowadays its objects are declared to be :

"The abolition of the Wage System and the establishment by the workers of self-government in industry through a democratic system of National Guilds, working in conjunction with other functional organizations in the Community."

As explained by Mr. Cole at the Conference when the change was made, this new basis was recommended as a formula which would allow members who held different opinions as to the position of the State in a future society to remain in the League and work together for immediate practical ends. Those who believed that the State should be abolished entirely, and those who believed that the State, instead of being the all-powerful Leviathan it is to-day, would in the future be stripped of its illegitimate functions and be reduced to the position of one power among a

plurality of powers, were both allowed to interpret the basis in their own way. No one apparently believed any longer in the State's absolute sovereignty.

These changes are significant. But the greatest change of all is in the attitude of the League towards Industrialism, which, from being regarded as a thing of permanence and stability, is nowadays looked upon as being on the verge of collapse. When we remember that the reason which led the movement to reject the idea of restoring the Medieval type of Guilds in favour of the idea of establishing National Guilds turned on this very issue; the advocates of Medieval Guilds, affirming that Industrialism was doomed to dissolution and decay, while the advocates of National Guilds denied it, we begin to feel that there is not much left of the National Guild position, and the fact that every departure from the original position has been in the direction of a return to the principles of Medieval social organization is a striking testimony to their truth and universality.

Though, as I have shown, the transformation of thought that took place within the National Guild Movement was in a Medievalist direction, it was, unfortunately, not consciously Medieval, but came about as a consequence of the pressure of events. But a time came when another group of forces of a very different character began to exercise an influence over it, and it was then that the central weakness of the movement came into the light of day, for it was then seen that the movement stood for nothing sufficiently fundamental to enable it to steer its course suc-

cessfully between the Scylla and Charybdis of modern politics. By the end of 1919 dissatisfaction was being freely expressed with the policy of encroaching control, which hitherto had been the policy of the movement. This dissatisfaction coincided with the spread of Communist propaganda in this country, which turned the thought of the more ardent spirits in the movement from a belief in reform by constitutional means to a belief in force. Thus it came about that the trend of the movement towards Medievalism was brought abruptly to an end, and the movement became a house divided against itself, in which state of mind it has remained ever since, for neither the Revolutionaries nor the Medievalists within the League are in a sufficiently strong position to force a decision, while the centre was too hesitant to throw its weight in either one direction or the other, failing to understand that no compromise was possible between opposed beliefs. Since then the League has been waning in power, though owing to the successful organization of the Building Guilds the Guild idea has been booming in the country, and Guild literature and speakers have been in greater demand than ever.

Now the underlying cause of this failure of the National Guild Movement is that it has never been honest with itself over the question of Industrialism. When at the beginning of its career it believed Industrialism to be a thing of permanence and stability, it was in a more or less defensible position. But when it came to the conclusion that our Industrial System was breaking up, the justification of its general policy disappeared, for what could be the use of

seeking to superimpose Guilds over present-day Industrial activities if those activities did not possess within themselves the elements of stability? Clearly this crisis could have been met in only one way, by broadening the basis on which the movement rested, by frankly recognizing that the problem of restoring Guilds is only one among many problems that will have to be faced before the social problem can be solved. Yet on this more general fundamental problem of society the National Guild Movement has absolutely nothing to say. On the contrary, it continues the Socialist tradition of thought of assuming that the only social problems are finally those of organization and ownership. For Guildsmen, when they speak of changing the system, mean little more than changing the ownership of the system. Hence, the real issue with them is finally the problem of how power may be attained. But it is obvious that the attainment of power and a capacity to use it for the public advantage are two entirely different things, and what reason is there to suppose that if the Labour or the Communist Party succeeded to power, they would not be just as much at the mercy of economic forces of society as capitalists are to-day? Frankly I can see none, for neither Socialists, Communists or Labourites recognize the existence of the problem of men and machines that lies at the centre of the economic problem. And because they do not recognize this problem, it is a certainty that they would be at its mercy. They would be as impotent in the face of the present economic mcrass as the present Government, differing with them only to the extent that they would at least

attempt to be more generous and equitable in their attitude towards the workers.

If we compare Socialist thought to-day with the Socialist thought that penetrated the Chartist Movement, we may say that while current thought is of a far more practical order, with more precision in detail, there is not the same grasp of the main essentials of the problem that confronts society, as in Chartist times. To explain my meaning, let us consider the different meanings attached to the proposal to abolish the Wage System in Chartist times and in our own, for it is our link with the past. As expounded by the National Guild Movement, the Wage System is defined as being a state of things in which labour is bought and sold as a commodity in the same way as other commodities are bought and sold, and its abolition is the demand that labour no longer be bought and sold in this way. As such it is really a demand for the regularization, stabilization and moralization of the wage relationship and for industrial maintenance during times of unemployment. But when Socialists of Chartist times demanded the abolition of the Wage System they meant what they said. They meant that the system of distributing purchasing power by means of payment for work done was incompatible with the unrestricted use of machinery. They saw that if machinery is to reduce labour to a minimum then it follows that some other system of distributing purchasing power must be substituted for the present one of payment for work done. For the Wage System breaks down entirely when machinery becomes automatic. Hence it was they demanded that purchasing power should no longer

be dependent on the receipt of wages, and it was as a means of creating a new social order, in which it would be possible to distribute purchasing power independent of payment for work done, that they came to demand the abolition of the private ownership of land and capital, and the means of production and exchange. The one was the necessary corollary of the other.

But Socialists and Guildsmen to-day have not that same intellectual grip of the general situation as had their predecessors of Chartist times. Their ideas are not organically related to any central idea. On the contrary, they believe in a number of separate ideas, more or less loosely related, but which are not part of an organic whole. In the Report on Fabian Policy, the abolition of the Wage System is rejected as an impracticable proposal, which in the sense in which it was understood by the Chartists is perfectly true. It is impracticable. But apparently Fabians had no suspicion whatsoever that the idea was logically related to the problem of machinery, which was the reason for the Chartist advocacy of the doctrine (equally impracticable) of the abolition of private property in land, capital, and the means of production and exchange, which doctrine the Fabians retained, in sublime unconsciousness of its origin, basing their propaganda on an accessory idea, and rejecting the proposal which gave it at least a logical validity. Guildsmen, like the Fabians, were so completely unaware that there was any connection between the Chartist demand for the abolition of the Wage System and the problem of machinery, that when they revived the phrase they came to interpret it as meaning the regulariza-

tion, stabilization and moralization of the wage relationship, entirely unaware of the fact that such a policy is impossible so long as the unrestricted use of machinery is permitted. But when truth is turned out of the front door, it has a way of coming in at the back, and the incompatibility of the wage relationship with the prevailing system of industry, which the early Socialists rightly connected with the unrestricted use of machinery, has in these latter days come to be connected with the problem of credit, and in connection with the Douglas-New Age Scheme, the demand is made for "dividends for all" on the assumption that the dividend is to be considered the successor of the wage.

Now this idea is sufficiently plausible to gain converts among people who do not see clearly what such a suggestion involves. Such people object to the idea of wages for several reasons. In the first place, because the receiving of wages seems to imply a servile status; in the next because on the wage basis, artists and poets, scholars and others who do not do work that is of immediate economic value get left out in the cold; and lastly, because the distribution of purchasing power on the basis of payment for work done does not suggest to many minds a sense of the corporate responsibility of society for the welfare of its individual members.

Now when we come to examine these objections we find they are based upon a confusion of thought. Wages, it is true, are apt nowadays to connote a servile condition, but this is not because a system of payment for work done necessarily involves any degradation, but because under modern conditions

it so happens that most people who do any useful work are in a servile condition. Under the Medieval Guild system, the journeymen and apprentices received what were, technically speaking, wages; but we do not associate such payments as they received with the evils of the Wage System because, though wages existed under the Guilds, they did not imply the brutal and inhuman relationship which wages do to-day, for labour was not then a commodity, the price of which was determined by the competition of the markets, but was paid for at a fixed rate determined by the Guilds, of which both masters and men were alike members. Moreover, the journeyman only remained a wage-earner during the earlier part of his life. He could look forward to a day when, as a matter of course, he would set up in business on his own account, for as there was a limit placed to the number of assistants any master could employ, opportunities for advancement were open to all who desired to use them. The Wage System therefore did not in those days present itself as an evil in the way it does to-day. On the contrary, it is the growth of large organizations, on a basis of the subdivision of labour and the unrestricted use of machinery, that has created the evils which we associate with the Wage System to-day; for under such conditions, those personal relationships which humanize life tend to disappear, and their place is taken by a cash-nexus divorced from all sentiment and personal regard. It is such conditions that make the Wage System to-day so brutal, but if the use of machinery were restricted and the subdivision of labour abolished as we

demand, that disturbing element which makes wages at once so uncertain, brutal and servile would be removed.

The Medieval Guilds accepted payment for work done as being the normal thing in society, but that did not preclude them from giving aid to the sick and unfortunate or of treating exceptional circumstances in exceptional ways. But owing to the fact that under industrialism all the normal human relationships have become degraded, people are always seeking to make the exception into the rule. Thus because under our existing economic system work that is of no immediate economic value cannot command proper remuneration, they repudiate the normal thing that payment should be for work done, in order that some provision shall be made for the exceptional. But surely this is irrational, for there is no reason why a system of payment should be uniform. It was in the past frankly recognized that certain kinds of activities depended upon patronage, and this should be recognized to-day. But again there is the same prejudice against patronage as against wages, because like all right and human things, it lends itself to abuse. The Church and Guilds in the Middle Ages were the patrons of learning and the arts, and if restored they would become such again in the future. It is because of the decline of the one and the disappearance of the other that learning and the arts are in such difficulties, but it is vain to suppose that people can ever be led to make the exception into the rule. For if they have not sufficient interest in these things as to be willing to act as their patrons, there is no prospect whatsoever that they could be induced to turn the

economic system upside down in order that such exceptional activities may be provided for.

And the instinct of the people would be right, for if payment in the future is not to be on a basis of work done, then we must have industrial conscription, for how otherwise is the necessary work of the community to get done? And I don't see how the artist or poet is going to fare advantageously under such conditions. The Church and Guilds might be persuaded to discriminate in their favour, but I cannot see it happening under a national system of industrial conscription.

Further, it is necessary to consider how such a proposition as "dividends for all" would in practice be applied. Reformers may have visions of a wonderful system of industry under which all existing evils would be abolished and each individual have complete and absolute liberty, but in practice the popularization of such an idea could have no other effect than to create a popular vested interest in the maintenance of the existing system of industry with all its abuses. For you cannot abolish the Black Country and draw dividends on it, since the two ideas are mutually exclusive.

But is there anything practical at all in this proposal of "dividends for all?" It is obvious that it can only be theoretically justified on the assumption that the present system has within itself the elements of permanence and stability. If the wage system were the only thing that was breaking down, then the plea that purchasing power must in the future be distributed by means of dividends, rather than wages would at any rate be plausible. But the fact is that simultaneously with the breakdown of the wage system, there is going on the

breakdown of every other institution in modern society. Politics, religion, art, industry, technical skill, the institution of the family, and all other social traditions are in a state of disintegration. As it is apparent that all these problems are organically related to each other, it is evidently impossible to effect change or reform in any one of them apart from dealing with the problem of machinery that lies behind them all. Thus, to go no further, "dividends for all" is only possible on the assumption that our financial and industrial system can be preserved.

This brings me to the central idea of the Douglas-New Age Scheme which we must now proceed to consider. Mr. Douglas sees, as most people who think do, that the deadlock that has overtaken industry is no ordinary trade depression that will gradually disappear before the normal operations of demand and supply as previous depressions have done. On the contrary, he maintains that the present situation is the logical outcome of the pursuit of the policy of Maximum Production on a basis of bank credit. Our system of credit, he says, upsets the balance between supply and demand by reason of the fact that whereas credits are given for increasing production, they are not given for increasing consumption. That Mr. Douglas has put his finger on the immediate cause of the present deadlock, apart from the economic confusion resulting from the war and the stupidities of the Peace Treaty, is not, I think, to be denied. There can be no doubt that the wholesale issue of credit by the banks to individuals, on the basis of "to him that hath shall be given" is the immediate cause

of the present financial deadlock, for it is impossible in the long run to offer facilities for the increase of production without giving corresponding opportunities for the increase of consumption without upsetting the balance between demand and supply. But while we may agree that the wholesale issue of credit is the immediate cause of the deadlock, it is clearly not the ultimate cause, as we shall find out later. But meanwhile Mr. Douglas proposes to correct this discrepancy between demand and supply by selling goods below cost, the selling price of any commodity, bearing the same ratio to its actual cost as the total National Consumption of all descriptions of commodities does to the National Production of Credit, while the Government is called upon to reimburse to the producers of any commodity the difference between their total cost incurred and their total price received by means of treasury notes, such notes being debited, as now, to the National Credit Account.

Now the first and most obvious objection to this Scheme is that such a wholesale issue of paper money would depreciate the currency. But Douglasites are unwilling to admit this. They urge that the fixation of prices which finds a place in the Scheme would be a sufficient safeguard against this. And when we object that to make such a measure effective it would be necessary to fix prices simultaneously in all industries, since if the Scheme were applied gradually and prices fixed below cost in one industry and not in the others, the prices of commodities that were unfixed would rise to restore the balance, they reply that the rise of prices in non-regulated industries would

rapidly force on the application of the scheme to other industries. But it won't do. All economic theories based upon the theory of enlightened selfishness promise such results. The adoption of Free Trade by this country, it used to be argued, would force its adoption on other countries, while the theory of unfettered individualism was justified on the grounds that while as producer the individual might suffer, he would nevertheless benefit by the cheapening of all he had to buy. But somehow or other all prophecies based upon theories of enlightened selfishness produce results the very contrary of what was intended. And this theory would certainly be no exception to the rule, for in these days of international markets the unit to be considered is not this country but the world. Under such circumstances the proposition is unthinkable. Those who believe in it only find it thinkable because they love to live in a world of abstractions divorced from reality. The only remedy for such mental states is to translate economic abstractions into concrete terms and to think always in the terms of actual wealth—of bread, clothes, buildings, ships, fuel, furniture, etc. Tested in this way, such abstractions as production and consumption will appear as the most ambiguous of categories that conceal essential differences. Thus they will include everything from food to armaments, things that support life and things that destroy it, and yet we are asked to believe that the economic balance of production can at any time be restored by selling goods below cost. But what if there are things which people do not want at any price—armaments for instance? How would selling below cost help the

situation? The whole thing is absurd ; it is an illusion that owes its origin to a fatal habit of divorcing the problem of money from the problem of things. It is the *reductio ad absurdum* of our financial system.

I said that the problem of credit might, apart from the economic consequences of the War and the Peace, be regarded as the immediate cause of the present deadlock, but that it was not the ultimate cause. In support of this contention I would draw attention to the fact that the present deadlock was foreseen by Marx. It finds a place in the Communist Manifesto (1847). And yet, though Marx foresaw this deadlock, there is not in the whole of his writings anything about the problems of credit and high finance (which is not surprising, for the problem is largely the creation of the Limited Liability Companies Act of 1862). On the contrary, he foresaw it as the logical outcome of the investment and reinvestment of surplus wealth for further increase (theory of surplus value). If, therefore, Marx foresaw this deadlock seventy-five years ago, long before this problem of credit had made its appearance, does it not prove that the problem is much more fundamental than the problem of credit? Nay, does not the problem of credit begin to appear as an effect, as a symptom of the disease rather than its cause, and will it not therefore be necessary to dig deeper than Mr. Douglas has done if a solution is to be found?

But while Marx saw that the investment and reinvestment of surplus wealth for further increase would in the long run produce an economic deadlock, he did not regard this practice as the ultimate

cause, for he saw that behind the problem of finance was the problem of machinery. He saw that the capitalists were not masters of their own house, inasmuch as they were at the mercy of their machines. The progress of invention was driving capitalism along the road it was travelling, and would in the end spell its destruction. So far I can go with him. But beyond this point we part company, for there was something he did not see. He did not see that the process of industrial development that he traced was not only destructive of capitalism, but of the very fabric of society, while in the long run the unrestricted use of machinery and capitalist development would bring into existence a civilization so complex that the human mind would be unable to comprehend all its multitudinous interconnections. And because of this, because modern civilization makes demands on our alertness and many-sidedness with which our wits and sympathies cannot cope, it tends to degenerate into anarchy. This consideration, apart from any other, should be sufficient to convince us that there is no solution of our problems apart from a return to simpler conditions of life, such as would reduce the complexity of our relationships to terms commensurate with the human understanding.

Looking at the problem from this point of view, our industrial system no longer appears as the foundation upon which a more highly developed civilization can be superimposed, but as a blind alley, from which we must retrace our steps or perish. But how may this be done? This is the sphinx riddle that confronts us, and it is by no means easy to answer. Perhaps it cannot be

answered completely by any individual. But of this much we can be certain; that any change in the direction of our activities must be preceded by a change in the heart and mind of the people. That such a change is actually taking place I think is undoubted. But it has not yet proceeded sufficiently far to become practical. The popular mind is thoroughly disillusionized over the idea of progress, but it is still largely under the spell of machinery, and not until that spell is broken will our minds be sufficiently liberated to think and act clearly. The first step, therefore, is to break this spell by means of propaganda. If we could do this, we should be able to see clearer, for the popularization and acceptance of an idea will, if there is any truth in it, tend to create the circumstances necessary to its transformation into the terms of practical politics.

It is a philosophical truth that no synthesis is ever complete, since in every synthesis there is always something left over that becomes the starting-point of the next synthesis. To translate this idea into the terms of the social problem, we may say that the army of unemployed is the something left over from the industrial synthesis, and therefore in our efforts to reconstruct society we must begin with it. Marx recognized this, and he proposed to use them for the purpose of overthrowing the capitalist system by a proletarian revolution. But recognizing, as we do, that our industrial system is in a state of disintegration, the problem that presents itself to us is not how the industrial and capitalist system can be captured or overthrown, but how a new civilization can be built out of its ruins, and there-

fore we shall attempt to deal with the unemployed as individual men rather than in the mass. Accepting the position that our industrial system is doomed, we should set to work to turn them into agriculturists and handicraftsmen. There should be no more difficulty about this, if it were undertaken in a public way, than there was about turning civilians into soldiers during the war. It is entirely a question of will and determination. Hitherto our efforts to do anything with the unemployed have been the last word in futility, but that is because the only idea behind the various schemes for dealing with them has been to make work, to mark time, as it were, until trade revived. Such an aim inspires nobody. The unemployed themselves are conscious of the futility of the work on which they are employed, and this sense of futility is demoralizing in the last degree. But if the fact that our industrial system is doomed was frankly faced, and men were given a craft or agricultural training to enable them to take their place in the new social order, their work would come to have meaning for them, and this would make all the difference in the world, for men can only do their best when they are dominated by a real motive.

By such means a new society could be built within the existing one, and as our industrial civilization falls to pieces, this new society would gradually take its place. There should be no difficulty about this, if the principle were frankly recognized that at every stage in its development the new society should be protected. The foundations of such a new society would rest, as all stable societies rest, upon agriculture, and to effect

such a revival as we anticipate, agriculture would need to be protected from any foreign competition, and prices and wages would have to be fixed. There would, moreover, have to be a complete overhauling of our land system, the reform of which, it is to be presumed, will become practical politics as the situation tends to become desperate. Upon this base of agriculture the new industries in which the subdivision of labour was abolished and machinery controlled would rest. Such industries would need, in the first instance, to be protected against the competition of industries in which the existing abuses were retained, which could be done by putting a tax upon machinery and the subdivision of labour. After a time, as this new society began to develop an organized life of its own, it would no longer stand in need of protection from outside industries, for the saving of cost that would be effected by the elimination of cross-distribution and of overhead charges would more than compensate for the increased cost of its production. Still, prices and wages should remain fixed, and every industry be under the regulation of Guilds to prevent capitalism growing up again within the new society, which it certainly would if freedom of bargaining were permitted. There would be no practical difficulty about reconstruction upon such lines, once the idea was popularly understood. It is impossible to graft the principles we stand for on to modern society if taken separately. But handled together, as part of a large and comprehensive scheme, and nursed in the early stages, there is no reason why they should not be acted upon. We may not be able to return to simpler conditions of society individually, but

there is no reason why we should not do so collectively.

Meanwhile external conditions are co-operating to force upon us an agricultural policy. The conclusion becomes irresistible that the days of our industrial supremacy are over. It was an accidental and temporary and not a permanent circumstance that gave colour to the theory, so popular in the first half of the last century, that we were destined to become the workshop of the world. This economic myth owed its origin to the fact that this country was the first to embark upon an industrial career in the modern sense. We had certain natural advantages, an abundance of mineral wealth, and an unrivalled geographical position, which naturally constituted us a centre for trade and commerce, while securing us from the fear of invasion. But the great fact, compared with which all others pale into insignificance, was that we were the first to use steam-power and machinery. It was this fact that enabled our goods to penetrate into every part of our world, which built up huge credits in every country abroad, and led to the enormous expansion of our mercantile marine, while constituting us the merchants and bankers of the world.

But it is apparent that this virtual monopoly could not last indefinitely. It could last no longer than we retained our monopoly of machinery, since, other things being equal, it would always be cheaper to produce goods near the markets and where raw material is found than at a distance from them, and therefore it has happened that one by one other nations adopted machine production and our monopoly came to be challenged.

Before the war we were holding our own with difficulty. Lancashire was losing her cotton markets, because of the competition of America, India, Japan and Brazil. Australia had begun to produce her own woollen goods, while in many markets, for all kinds of goods, we suffered from the competition of Germany, Japan and America. But it was the war that completed the change for us by transforming the world conditions. It shattered the fabric of our commerce, industry and finance. Deprived of their accustomed supplies from us, many of our former customers were driven to begin producing all kinds of things for themselves, and as these new manufactures are carried on near to where the raw materials are found or produced, it is manifest that these markets must gradually slip from our hands. We cannot hope in the future to export such large quantities of manufactured goods to Australia, Canada, South America and elsewhere as hitherto, while the tendency is for other nations to carry their own goods in their own ships. Meanwhile, in order to finance the war, we were compelled to dispose of most of our foreign investments. Thus, in one way or other, there is not the money coming into this country that there was before the war, and our industries will not be able to provide work for such numbers as hitherto. Not being able to sell goods to the food-producing nations, we shall soon be without the money to pay for the food we must import to keep our population alive—a fact that is brought home to us by the constant falling of the rate of exchange with food-producing nations.

That is the immediate practical problem that

confronts us to-day. If anything could demonstrate the folly of a nation allowing itself to become dependent upon other nations for its supply of food, and building up national industries which were dependent upon foreign supplies of raw material, the situation in which we find ourselves to-day should do so. We have allowed ourselves to drift into an impossible situation, and things must steadily go from bad to worse until agriculture is revived, for as the countries upon which we have been accustomed to rely for a supply of food are beginning to produce their own industrial wares, it follows that our exports to them will tend to become a steadily diminishing quantity, and therefore the only way to meet the situation is for us to take measures to produce as much food as possible for ourselves by the revival of agriculture.

Whether or not sufficient food can be produced in these islands to satisfy our requirements is a debatable question. But supposing it cannot, then it follows that if our foreign trade shrinks to the point at which we cannot sell sufficient goods to food-producing nations to buy the food required to support our surplus population, there can be no remedy apart from emigration, for no tinkering with the machinery of distribution can distribute more food than we can grow and import.<sup>1</sup>

Thus it comes about that the trend of events is forcing upon us the Medieval policy which sought to make each country as self-contained as possible. Though at the moment the loss of our markets is an inconvenience which it is impossible

<sup>1</sup> See my *Guilds, Trade and Agriculture*, where this subject is discussed.

to exaggerate and adds to our perplexity, yet I am persuaded that in the long run it will prove to be a blessing, for so long as our industries were dependent upon foreign markets it was impossible to initiate really drastic reform, for under such circumstances the factors that really governed the problem were outside of our control. The modification of a tariff, or a war, the discovery of some new raw material or some other such event in some remote corner of the world, would dislocate the labour of millions at home, while all the time our fortunes remained in the hands of capitalist adventurers, for they alone could find markets for our surplus produce. To break with this tradition has hitherto been the great obstacle in the path of reform, for it was hopeless to attempt to bring order into an economic system that ramified out into every quarter of the globe. But the obstacle that refused to yield to reason is being removed by the force of circumstances, and a situation is being created in which the social problem may be solved if we have the will and the energy. For with a revived agriculture, with the people back again on the land, a foundation will be laid which will enable a social fabric to be rebuilt that will be permanent and stable.

If it be laid down as a maxim that the first principle of a normal civilization is that it be as self-contained as possible, the second undoubtedly is that it should in no sense be living on capital, but arrange its production in such a way as largely to reproduce itself. Before the age of machines, the inroads made by man on irreplaceable material were moderate and offered no menace to posterity, the store of mineral wealth in the world remained

almost intact. But our industrial methods of production use up material at an alarming pace. The machine has an insatiable appetite for fuel and minerals of all kinds, the supply of which is limited. The easily accessible sources of supply of raw materials are becoming exhausted, and the necessity of getting hold of new sources of supply was one of the causes of the war. These considerations, together with the steady and progressive decline in the quality of production, the decay of technical skill, the atrophy of the individual and the social and economic chaos that has followed everywhere in the wake of the machine, lead us inevitably to the conclusion that reaction must come, for it is simply impossible for civilization to continue on the road it is travelling. Such a reaction, by leading to the revival of pre-mechanical standards of thought and industry, will remove the greatest obstacle of all to the solution of our problems.

## VII

### DEMOCRACY AND ORGANIZATION

ONE immediate practical difficulty that stands in the way of the reorganization of society on a corporate and democratic basis is the tendency of modern collective activity to be choked by a multiplicity of committees. It matters not what the nature of the activity may be; whether it be cultural or political, official or unofficial, democratic or otherwise, the same fate overtakes all people at the present day whenever they attempt to act together, and this in spite of the fact that the evil is almost everywhere recognized.

If we reflect on this phenomenon, there are only two deductions to be made from it. One of these is that democracy is an impossible ideal; the other is that our conception of democracy is a false one. The latter I believe to be the true explanation. Society was more democratic in the Middle Ages than it has been at any time since civilization began. Until the thirteenth century the law was supreme. The King was just as much subject to it as any of his subjects, for "he did not make laws by his own authority, but required the consent and advice of his wise men, and in some more or less vague sense of the whole nation."<sup>1</sup> The

<sup>1</sup> *Mediaeval Political Theory in the West*, by R. W. and A. J. Carlyle, vol. i, p. 238.

government was democratic, but not in the sense in which we are accustomed to use the word to-day, for it was government by consent rather than by election. Government was judged by its results, not by its machinery. Thus the democratic ideal of the Middle Ages might be defined as something proceeding to the people, as contrasted with the democratic ideal of the present day, which is understood as meaning a system of government proceeding from the people; or, in other words, democracy to-day is identified with the idea of majority rule. The exaggeration of this idea leads to the trouble, since, apart from the issue whether any government can act with wisdom that is subject to such a principle, there is no denying that it is a principle that is only practicable within certain very narrow limits; inasmuch as when men come to believe that there is something sacrosanct about majority rule, they waste such an amount of time in discussing points of procedure and all kinds of inconsequential things, that no time is left to discuss the things that really matter, with the result that majority rule defeats its own ends. And it comes about this way. The waste of time in a general committee, resulting from attempts to realize an impossible principle, leads to the appointment of sub-committees to deal with details; while any simultaneous extension of activities tends to multiply the business to such an extent that the average committee man gets lost amid the complexity of details, until at length a time comes when only the permanent officials understand the business in hand. When that point is reached, substantial power tends to pass into their hands entirely. They decide most of the issues among themselves, and

there is little left for committees to do but to confirm their decisions. The democratic form is retained, but its reality goes. This is the inevitable ending of all democratic bodies as at present constituted. They get things done, but not in the way that any one particularly desires they should be done ; and this in turn provokes reaction, which invariably takes the form of a reassertion of democratic principles—it being assumed by all such rebels that we suffer because we have too little democracy, whereas the truth is we suffer at the same time from too much and too little—too much in the sense that we have too much democratic machinery, and too little because we have too little really democratic spirit.

Meanwhile it is to be observed that the tendency for the democratic ideal to run to extremes is intimately connected with the failure of our political leaders ; for rightly interpreted, the rebellion against leaders is not a rebellion against leadership as such, but a rebellion against leaders who do not lead. They do not lead because they have lost all sense of direction ; and the dilemma in which they find themselves is due to the fact that they have never realized the incompatibility between democracy and industrialism, and have lost sight entirely of the problem of men and machines. The consequence has been that, instead of relating all their specific proposals for reforming society to the central problem of machinery, they have ignored this issue entirely, with the result that nowadays, when our industrial system is seen to be crumbling to pieces, they are entirely at a loss to understand how such a thing could possibly happen, and waste all their time in seeking to keep afloat a ship that

is manifestly sinking, and this in spite of the fact that the break-up of industrialism will remove the great and insuperable obstacle to the organization of society on a democratic and corporate basis.

I said that democracy was incompatible with industrialism. Failure to recognize this fact is, I am persuaded, responsible for the false conception of democracy which obtains to-day, because industrialism, in divorcing ownership from function, introduces a complication into the problem. The truth of this will become apparent when we contrast the democracy of the Medieval City with attempts to realize the ideal of democracy to-day. The realization of the ideal of democracy in the Medieval City was a comparatively simple proposition ; for the instruments of production were such that they interposed no obstacle to the organization of society on a democratic basis. For when the only instruments of production were the tools of the craftsman, it was easy to subordinate the material problem to the human one. The problem of the organization of industry was a purely moral one. It was the problem of superimposing over the activities of individuals, an organization that would compel them to obey the moral law in the sphere of economics, preventing them from abusing their position, and obliging them to make wares of a good quality and sell them at a Just Price, deal honourably with their assistants, paying them a Just Wage ; and which, in turn, would support and succour them and their families in sickness or distress. But since industrialism has come along with its vast machinery and large organization, the terms of the problem have been changed. The moral problem becomes complicated by the problem of

the ownership of the means of production ; for if anything approaching to economic equality is to obtain, there must be a certain measure of the common ownership of the means of production, and this is incompatible with the existence of the private management of industry. Hence it is all efforts to democratize industry, since industrialism came along, take the form of the organization of self-governing workshops ; for the Building Guilds are really a development of this principle. But, as I pointed out in an earlier chapter, it is a principle that cannot be applied to other large industries. And so the problem of how the workers can share in the earnings of industrialism remains just where it was. Organization on this basis has, nevertheless, validity within certain limits, and may survive in the future as small local groups in the simpler kinds of industry, or in the form of workshop committees co-operating with the management in such industrial activities as may possibly survive the general wreck of industrialism. But the ultimate reason why I feel it is a principle incapable of universal application is that it involves too many committees and subcommittees, and therefore can never supplant the private management of industry, which seems to me to be the normal and natural way of doing things. Hence the dilemma inherent in industrialism and the prospect of a solution of the difficulty, now that industrialism is breaking up.

But this incompatibility between industrialism and democracy is not the whole of the trouble ; for there is a sense in which the whole modern conception of democracy is at fault. Our democratic ideas come from the French Revolution, which, in turn, inherited them from Rousseau, though, as a

matter of fact, Rousseau did not advocate democracy at all in the sense in which it is understood to-day ; for to him it was a means to an end, not an end in itself, the end being government by the wise. There can be no doubt whatsoever that it was because he thought democratic institutions would have this effect that he was led to advocate democracy. Thus, in the *Social Contract*, he says : " It is the best and most natural order of things, that the wise should govern the multitude, when we are sure that they will govern it for its advantage, and not for their own." Moreover, it was because monarchical institutions gave no guarantee of such a desideratum that he took exception to them, for he says : " The one essential and inevitable defect which will render a monarchical government inferior to a republican one is that in the latter the public voice hardly ever raises to the highest posts any but enlightened and capable men, who fill them honourably ; whereas those who succeed in monarchies are most frequently only petty mischief-makers, petty knaves, petty intriguers, whose petty talents, which enable them to obtain high posts in court, only serve to show the public their ineptitude as soon as they have attained to them. The people are much less mistaken about their choice than the prince is ; and a man of real merit is almost as rare in a royal ministry as a fool at the head of a republican government. Therefore, when by some fortunate chance one of these born rulers takes the helm of affairs in a monarchy almost wrecked by such a fine set of ministers, it is quite astonishing what resources he finds, and his accession to power forms an epoch in the country."

Reading these words in the light of a century of democracy of a kind, there is something rather naïve about this simple faith, since the whole trouble of the world from one point of view is precisely that the best and wisest do not come automatically to the top under democracy any more than they do under any other form of government. On the contrary, it is the clever rather than the wise who do, and unfortunately, the wise are rarely clever, nor are the clever usually wise. The fact that the clever rather than the wise succeed under democracy to-day may be explained in many ways. But the most obvious explanation is that a capacity for public speaking is the one indispensable qualification for success under democracy to-day, and it does not follow that the man with this gift is wiser or more trustworthy than his fellows. Of course he may be, but unfortunately there is no necessary connection between the two.

At any time, and under any circumstances, this is one of the difficulties of democracy, but it is a difficulty that has been enormously exaggerated, since industrialism came along by the abnormal growth of towns. In *Unforeseen Tendencies of Democracy*, Mr. E. L. Godkin shows how the decline of the ideals of American democracy coincided with the growth of large towns and the increase of the electorate. In the early days of the American Republic, when voters were few, men of wisdom and character, he says, were personally known to the communities in which they lived, and they became the public representatives because of their prominence. But with the rapid increase of emigration, the members of society ceased to be well known to each other, and then the trouble

began. A capacity for public speaking, rather than personal character, became the primary qualification for public life, because only good speakers could make themselves known to the electorates. With this change there came a deterioration in the type of the public representative, and following this decline, there came the growth of the power of the political machine which could automatically produce majorities in favour of any candidate it chose to support. There followed political corruption and jobbery, and the defeat of everything that the ideal of democracy exists to promote.

Rousseau himself was not blind to such dangers, for, though at times he talks as if democracy could do no wrong, at other times he recognized there are dangers, while it is to be presumed that his advocacy of small states and small property was not unconnected with his apprehension of danger in large ones. Truth to tell, Rousseau qualified his position in so many ways, that it is finally difficult to convict him of anything except the more general charge that he had an over-confidence in the results that would follow a mere change of social machinery; though, even here, it is possible to quote passages from his writings against such an assumption. Of course, social machinery we must have; and there are evils that can be checked by the provision of suitable social machinery. Yet they are secondary ones. For no social machinery can finally ensure the desideratum of Rousseau, that the wise will come to the top; for the simple reason that a precedent condition is that the few and the many shall share a common spiritual and cultural tradition, since, in the absence of such a common tradition, the wise cannot be known to

the people, for no common bond of sympathy and understanding exists between them. But it is just this common and shared tradition which, in the past, operated as a cement to bind different types and classes of people together that is absent from the modern world. It existed in the Middle Ages, where king and peasant, priest and craftsman, were bound together by a common religious tradition which, however much they might disagree, was stronger than their differences. But, since the Renaissance, it has gradually disappeared. This has come about as the result of a variety of causes, legal, æsthetic, scientific and literary, which have combined to separate the logical or intellectual part of man from the emotional and instinctive, and to give it a *locus standi* of its own, and has resulted in creating a gulf between cultured and uncultured people such as never existed in the past. As a consequence, the wise are no longer understood of the people, and they tend to drift apart because they do not readily discover points of contact. In this light the problem of democracy is seen to be dependent upon our capacity to recreate a culture in which every member of the community can share. For "Men cannot unite immediately among one another; they unite in things, in common values, in the pursuit of common ends." <sup>1</sup>

When we understand these things, we begin to see that the whole error of Humanism, from the Renaissance onwards, may be found in the fact of its having forgotten that spiritual and cultural values come first, and having forgotten it, the resulting activities end in promoting not unity, but discord.

\* *Authority, Liberty and Function*, by Ramiro de Maeztu.

To affirm that spiritual and cultural values come first is to reaffirm the central truth of Christianity. When, in answer to a lawyer who asked what was the great commandment of the law, Jesus said, "Thou shalt love the Lord thy God with all thy heart, with all thy soul, with all thy mind, and with all thy strength : and the next is like unto it, Thou shalt love thy neighbour as thyself," he affirmed this primacy of spiritual values (for love of God will bear such an interpretation), and he affirmed it because on no other basis can man live a common or corporate life. Let me quote in this connection, from the words of Mr. de Maetz, "The commandment," he says, "which compels me to love my neighbour as myself, does not tell me how to love my neighbour, for it does not tell me how I ought to love myself. There are happy moments when I love for myself truth, justice, and the tragic and supreme beauty of sacrifice. There are other moments when I love for myself flattery, although it may be false ; power, although it may be stolen ; and pleasure, although it may degrade both my body and mind. And if I love my neighbour as myself, why should I not also love for my neighbour false flattery, usurped power, and degrading pleasures? And this supposition is not merely imaginative. The altruistic drunkard wants his neighbours to get drunk ; and the voluptuary is usually an altruist in the sense that he wants the greatest possible diffusion of his vices. . . .

"Love of one's neighbour does not acquire a positive value except when it depends upon the first and great commandment, which is the love of God. Non-religious persons may reply that they do not know what is being asked of them, when

they are told to love God. . . . What we assert is that love of cultural values is love of the Divine Substance, and therefore love of God.

"But to the first and great commandment Jesus added the second, 'Love thy neighbour as thyself,' and it was necessary to add this, for the men who have come to love God in his Substance, or in His Person, have known the temptation of feeling a certain repugnance towards their neighbour and towards themselves. He who loves the good, easily falls into the sin of not loving man; for man is a sinner; he who loves truth feels more pity than love for this poor human reason, whose limitations are as familiar to him as they are painful. And he who loves the power that preserves and increases goodness and truth, easily yields to the temptation of despising his own weakness and the weakness of his neighbour. And yet we must love man, for the love of man is necessary for the preservation of truth in the world. With all his limitations, we hope that man is carrying out some function in the world; for otherwise we could find no meaning in his existence. The man who loves God, must be commanded to love his neighbour and himself; for he is the one who realizes better the faults of human kind. . . . If a human society is a partnership in cultural values, its constitution is desirable, and then the fellowship of its members must be added to it to make it prosper." 1

Perhaps now we may begin to understand where the weakness of democracy to-day is to be found. It is based upon love of one's neighbour, while it ignores the love of God or cultural values; or if that is not entirely true, it gives to cultural

values a secondary place. Love of one's neighbour comes before the love of God. The consequence is that while democracy attempts to do the right things, it invariably does them in a wrong way, and disappointment with results leads to never-ending discord. So it works out in practice that when men begin with the love of their neighbour rather than the love of God, they not infrequently end in hating their neighbour, because in their activities there is no unifying principle. Moreover, such a reversal of the natural order removes the possibility of any co-operation between the people and their natural leaders, because the wise always give first place to spiritual values, and this fact leads them to see everything in a different way from the majority, who give them a secondary place. And because spiritual values are given a secondary place, democratic activities tend to concentrate on secondary issues, and to ignore the primary ones; and because they ignore primary issues, and concentrate on secondary ones, all their activities tend to become over-complicated, and end in a wild confusion of committees.

But, it will be said, if such is the case, how does it come about that educational activities, which are presumably interested in cultural values, suffer from the same evil of committees? The answer is, because they also have got things upside down; for they do not put cultural interests first. On the contrary, it is not the discovery of truth, but the education of the people, which is their primary concern, which is, of course, love of one's neighbour. This assertion is demonstrated by the fact that educationalists to-day dislike dogmas, unmindful of the fact that all spiritual truth rests finally on

dogmas, and that all great teachers have been dogmatic. And so it has come about that, in their anxiety to raise the general level of education they have, by exalting the institution, undermined the liberty of the teacher, who is the ultimate source of education. How completely that liberty has been destroyed becomes apparent when we compare the conditions surrounding education to-day to those which obtained in the twelfth century when, as Dr. Poole observes, "the school followed the teacher, not the teacher the school. Where a master lived, there he taught; and thither in proportion to his renown, students assembled from whatever quarter. . . . The tie was a personal one, and was generally severed by the master's death. A succession of great teachers in one place was a rare exception." <sup>1</sup>

• We see, then, that the age of great teachers was not an age of committees; and may it not be that this is necessarily so? Since just in proportion as educationalists put the need of popular education (love of one's neighbour) before the love of spiritual and cultural values, they inevitably lose sight of that unifying principle which alone can give education its meaning.

<sup>1</sup> *Illustration of the History of Mediæval Thought and Learning*, by Reginald Lane Poole, p. 95.

## VIII

### THE RETURN TO THE PAST

ONE of the consequences of giving to spiritual values the foremost place is that we inevitably put the past before the present, because the great traditions of culture come from the past. Hence it has been that all great movements of human origin in history—good and bad—have had their beginning in a study of the past. All the movements in the Middle Ages began with a desire to recover the culture and art of the Pagan world. The activities of the Schoolmen and the lawyers had their origin in such an attempt. Gothic architecture likewise had its origin in an attempt to revive the old Roman architecture, the ruins of which covered the Empire. The Renaissance merely continued the same tradition of looking back. But what made the Renaissance so deadly was not the fact that it looked back, but the things it looked back for. The Medieval schoolmen looked back to recover lost truths to enable them to bring light and understanding to men. But the men of the Renaissance were prompted by a different motive. There were elements of pride and egotism associated with their desire to revive antiquity. The motive that inspired their passion for learning was not a communal but an individualist one. It was not the salvation of

society, but the development of the individual. It was less the substance of Pagan thought than the language or style, the way a thing was said, that interested them. It was a movement of externals, and so it degenerated into pedantry. It became destructive. But this failure does not prove the futility of revivals. What it does prove is the insufficiency of the motives that prompted the men of the Renaissance. It will at all times be necessary to look back if we are anxious to see life in its proper perspective, for in the development of civilization the basic and fundamental things have a way of getting overlaid, obscured and forgotten, and it is only by searching in history that they may be recovered.

Fortunately in our day the truth of this principle—that the future may only be discovered in the past—has been strikingly demonstrated by the success that has attended the Sinn Fein movement in Ireland. To the average Englishman Sinn Fein is nothing more than a rebellion like the Fenian rebellion against the overlordship of England. Yet it is only necessary to have a slight acquaintance with the movement to know it is more than this, since if such had been the case it would in all probability have ended in much the same way, degenerating into a secret physical force movement ending in another Fenian fiasco. If Ireland was saved from repeating this experience, it was because Sinn Fein dug deep down into the depths of human nature, because along with its political and revolutionary activities, it maintained other overt activities that kept the people together. The foundations of the movement were laid by the Gaelic League which, established in

1893, came with intellectual illumination to safeguard the practical progress that was being made towards putting the Irish farmer on his feet by the Irish Agricultural Organization Society, the Congested Districts Board, and the Department of Agriculture from degenerating into materialism. Its activities were consequent upon the labours of Dr. Douglas Hyde. "If," says Mr. de Blacam, "Ireland to-day is not the Ireland of Carleton, Lover and Lever—the stage Ireland of drunkenness and brawling, ignorance and snobbery—but the Ireland of the Gaelic tradition, heroic, imaginative, daring—Dr. Hyde's scholarly labours are the source of the change. His *Literary History of Ireland*, a gigantic, ill-proportioned book, overflowing, gossiping, absorbing volume, suggesting the rapid talk of an enthusiast, bubbling over with more news than he can tell of great discoveries—this was the book that revealed a wealth of cultural possessions that nine hundred and ninety-nine Irishmen were as ignorant of as they were of the writings of Krasinski and Mickiewicz. It threw a new light on Irish history, under which the figures and places of the past seemed to take on a bright and splendid life. His pen was like a wand that turned Ireland from a hovel to a palace of faëry grandeur in her sons' eyes. The Gaelic tongue, subtle, musical, elaborate, yet regarded with a slave's shame since Dan O'Connell decried it, became now a fountain of intellectual life; and Anglo-Irish literature, catching the reflected light of Gaelic inspiration, shone with the names of Yeats, Synge, Gregory, Colum, O'Grady, Russell, Milligan. . . . A national drama rose; and Dublin, putting off its down-at-heels

gentility, became an artistic centre, and an absorbingly interesting place to live in. So vigorous was the new cultural movement that men of the aristocrat caste or Protestant creed, men who formerly regarded Ireland as a place best out of, men who in earlier years became Bernard Shaws, now found in Ireland their most appreciative audience.

"The early passion of the Gaelic revival was almost apostolic, religious, accompanied by signs and wonders, and none of us will ever forget his first *Feis*, marching through the green hills to the skirl of the pipes, or singing the memory-haunted Gaelic songs at the mossy shrines of heroes. Though it was scarce suspected then, we can now all see implicit in those early functions the developments that have since come to pass, and Sinn Fein, Republicanism, and Social Gaelicism were inevitable out-flowerings of the seed then sown. All we knew then was that our feet were upon a mounting road with something splendid, though still cloud-shrouded, as the goal."<sup>1</sup>

So writes Mr. de Blacam of the literary movement that preceded the organization of Sinn Fein, "The uprise of a fine rural economy, accompanied by the growth of a literary production and an impassioned recourse to rich, forgotten fields of cultural inspiration, could not fail to issue in some energetic political movement, particularly when the existing political order was so repugnant to the new ideals."<sup>2</sup> Hence, in due course, there came the Sinn Fein policy of political abstention which

<sup>1</sup> *What Sinn Fein Stands For*, by A. de Blacam (Chapman & Dodd), pp. 42-43.

<sup>2</sup> *Ibid.*, p. 44.

owed its origin to Mr. Arthur Griffiths, who in 1902 described in the *United Irishman* the tactics of abstention from the Austrian Parliament, which preceded Francis Joseph's recognition of Hungarian independence under the Dual Crown, urging the adoption of the same policy. Instead of going to Westminster, let the Irish members form a National Council in Dublin and let the people obey its measures voluntarily. A State would thus be built up in opposition to the intruding State. The Imperial Parliament would find its machinery unworkable, and would be obliged to recognize the *de facto* State created by the nation's self-determination. At a later date there came P. H. Pearse, who gave the spark necessary to fire the train that Arthur Griffiths had laid. He taught a gospel of blood and sacrifice which transformed Sinn Fein into a militant party. To these names should be added that of James Connolly, who in the 'nineties founded the Irish Socialist Republican Party, which gave to the movement a Socialist bias which eventually turned in the direction of a revival of Medieval economic teaching as being more in accord with the actual circumstances to be met.<sup>1</sup>

Now is there anything that we can learn from this experience of the Sinn Fein movement? I think there is. It should in the first place teach us that political and economic activity, pursued apart from a new ideal of life as expressed in spiritual values, is for the most part a vain delusion; inasmuch as apart from such values which give meaning to our activities, politics tend to lose touch with reality and degenerate either

<sup>1</sup> *What Sinn Fein Stands For*, pp. 44-66.

into mere political opportunism or into a secret, physical force movement. Next, it should teach us that if a movement is to grow in strength, it must not be based upon a nebulous anticipation of the future, but upon an effort to recover a forgotten and neglected past. For it is a paradox, but nevertheless true, that we can only go forward to a Golden Age in the future on the assumption that we appeal to a Golden Age in the past. The future is featureless, and to make it therefore the final court of appeal is to deny experience and to place ourselves inevitably at the mercy of every charlatan who comes along. For there can be no way of exposing the fallacies involved in a new heresy, except by reference to some standard or experience of the past. The charlatan, therefore, in appealing to the future while denying the past discounts beforehand any possible criticism of his position, and cajoles the public into acquiescing in things which as often as not they know to be wrong. Failure to perceive the truth of these principles is at the root of the futility of Socialist and Labour politics, for it divorces them from all reality, leading them to suppose that there is such a thing as solving the social problem entirely in the terms of economics—unmindful of the fact that the economic evils of our society are finally nothing more than the obtrusive symptoms of an inward spiritual disease that has followed the separation of man from religion, art and nature, and which has changed the substance of our lives and activities.

But, it will be said, granted that the principles followed by Sinn Fein are true, we cannot follow their example. This movement was possible in

Ireland because the literary past of Ireland was a forgotten past, while such a revival provided something that could be posited against the dominance of English politics and culture, and therefore could be used to give the Irish people a belief in their own culture and destiny. But our circumstances are different. We have no forgotten literary past, nor do we suffer from a foreign yoke. How then can we proceed along Sinn Fein lines? In the literal sense, of course, we cannot. Yet though we proceed along different lines, we may acknowledge the same principle. If it is not open to us to revive a forgotten literary past, it is open to us to revive our own historic past; our social and industrial past, when there was a peasantry on the soil and craftsmen in the workshop, when things produced were beautiful and when, organized in Guilds, men lived a corporate life, when, in short, England was truly Merrie England. This past could be revived, and if it could not be posited against a foreign enemy, it could be posited against the enemy within our gates, against that industrial progress, "whose motive is money and whose method is machinery."

The foundations of such a revival have already been laid by our various reform activities, and it needs but a frank acceptance of the principle of reversion to unite together in one revolutionary current for a common purpose activities which, pursued separately and without such a common objective, accomplish nothing. Hitherto what has stood in the way of such a desideratum has been the popular belief that industrialism was a thing of permanence and stability, but nowadays when it is becoming widely recognized that this belief

is a delusion, a path should before long be opened to us ; for when men can no longer look forward with equanimity, they will inevitably come to look back. When this change-over is a *fait accompli*, activities which the modern world has regarded as anachronisms will wear a different aspect. The activities of our agricultural organization societies and movements to restore the crafts and arts will appear full of significance as intelligent anticipations of the future.

With the agricultural aspect of this question I do not propose to deal, as I have dealt with it elsewhere,<sup>1</sup> but will pass on to a consideration of the Arts and Crafts movement, which more than any other movement of our day is anti-industrial. Its activities were consequent upon the teachings of Ruskin and the experiments of William Morris in the revival of handicraft. Immediately, its aim was to unite the artist and craftsman, who under our mechanical system of production had become fatally divided to the detriment alike of art and craft. But the movement could not stop there ; for the idea had social and economic implications. It became inevitably anti-industrial ; for it is apparent that, if social evolution, as we call it, had separated the artist and craftsman, further progress along present lines could only separate them still further. Hence the effort to unite the artist and craftsman involve the challenge of industrialism. This fact was frankly recognized by the leading members of the movement. . Thus, writing on the aims of the movement, the late Mr. Walter Crane said, "The movement indeed represents, in some sense, a revolt against the hard

<sup>1</sup> *Guilds, Trade and Agriculture* (Allen & Unwin, 5s.).

mechanical life and its insensibility to beauty (quite another thing to ornament). It is a protest against that so-called industrial progress which produces shoddy wares, the cheapness of which is paid for by the lives of their producers and the degradation of their users. It is a protest against turning men into machines, against artificial distinctions in art, and against making the immediate market value, or possibility of profit, the chief test of artistic merit. It also advances the claim of all and each to the common possession of beauty in things common and familiar, and would awaken the sense of this beauty, deadened and depressed as it now too often is, either on the one hand by luxurious superfluities, or on the other by the absence of the commonest necessities and the gnawing anxiety for the means of livelihood ; not to speak of the everyday ugliness to which we have accustomed our eyes, confused by the flood of false taste or darkened by the hurried life of modern towns in which huge aggregates of humanity exist, equally removed from both art and nature, and their kindly and refining influences.

"It asserts, moreover, the value of the practice of handicraft as a good training for the faculties, and as a most valuable counteraction to that overstraining of purely mental effort under the fierce competitive conditions of the day ; apart from the very wholesome and real pleasure in the fashioning of a thing with claims to art and beauty, the struggle with and triumph over technical necessities which refuse to be gainsaid. And, finally, thus claiming for man this primitive and common delight in things made beautiful, it makes, through art, the great socializer for a common and kindred

life, for sympathetic and healthy fellowship, and demands conditions under which your artist and craftsman shall be free.

" ' See how great a matter a little fire kindleth.' Some may think this is an extensive programme—a remote ideal for a purely artistic movement to touch. Yet if the revival of art and handicraft is not a mere theatrical and imitative impulse ; if it is not merely to gratify a passing whim of fashion, or demand of commerce ; if it has reality and roots of its own ; if it is not merely a little colour at the end of a sombre day—it can hardly mean less than what I have written. It must mean either the sunset or the dawn." <sup>1</sup>

It seems a long way from this early war-cry to the Arts and Crafts movement of to-day. Yet it is not so far as it looks, for the Guild movement had its origin in the economic failure of the Arts and Crafts. Do not let us forget that the Guild movement was in the first instance floated upon the Arts and Crafts movement, and that in its early days the revival of handicraft was an integral part of the movement. But when the Guild idea spread outside of the sphere of the Arts and Crafts and was adopted by Socialists, this aspect of the movement was dropped, not being considered by National Guildsmen as a vital issue. That from the point of view of propaganda, on the principle of one thing at a time, there was something to be said for separating the sociological from the craft ideas of the movement is not to be denied ; for the principle of the Guild

<sup>1</sup> *Arts and Crafts Essays*. A collection of essays by members of the Arts and Crafts Society. "The Revival of Handicraft," by Walter Crane.

has applicability outside of the sphere of craftsmanship. But that the change has not all been gain is equally demonstrable ; for in abandoning the revival of handicraft as a remote and inconsequential issue, the movement lost that grip on reality that it formerly possessed. It lost sight of the problems of machinery and the subdivision of labour, which, as I have endeavoured to show, is the central economic issue ; and as a consequence it no longer challenges Industrialism, which is the enemy, but only the financial aspect of it, which we designate as capitalism. So it has come about that while the movement has met with widespread success, we must recognize that it is after all only one of those half-successes that leads to ultimate impotence, as the present position of the National Guild movement bears witness.

Under these circumstances it becomes apparent that the time has now come to reassert the more fundamental principles that were formerly associated with the Guild movement. Recognizing that the central problems of our age are those of machinery and the subdivision of labour, we must demand on the one hand that the use of machinery be regulated and the subdivision of labour abolished, and on the other hand we must set to work to rebuild what they have destroyed or are destroying. Foremost among these is the revival of handicraft, for to revive handicraft is to challenge all forms of mechanical production. And in this endeavour, circumstances should come to our aid ; since as the days of industrial expansion are over, and unemployment and short time have become the order of the day, it ought to be possible to secure popular support for the

movement which has been impossible hitherto. Why should not those who are unemployed be trained in agriculture, and those on short time in handicraft? Thus there might be brought into existence a new economic system within the existing industrial system in the same way that Sinn Fein brought into existence a State within the State.

But, it will be said, if such a policy is practicable, why should the Arts and Crafts movement have failed in its larger aims? The answer is because the Arts and Crafts movement was never organized except for exhibition purposes. It was a movement of pioneers, whose primary aim was to recover the traditions of design and handicraft. As such it was individualistic. The individual craftsman was left to fend for himself as best he could, and this was no easy matter, because he generally found it impossible to borrow capital because craftsmanship was not considered good security, while he had to organize his own market because for a variety of reasons he could not avail himself of the ordinary channels of distribution. Unless, therefore, he were a many-sided person, very fortunately placed, with good social connections, had money, or could get friends to back him, he had little or no chance of success; for experience has proved that exhibitions are rarely followed by sales. Further, these difficulties are responsible for side-tracking the movement, for the more utilitarian a craft is, the larger must be the capital in these days. Hence it has been that, left to their own resources, the craftsmen were for the most part unable to concentrate on the utilitarian crafts which required large capital, and specialized on the decorative ones where little was required,

and hence it has come about that the Arts and Crafts movement from being, among other things, a protest against the dependence of art on luxury, has become one of its feeders.

Such being the case, it is evident that a widespread revival of handicraft will not follow any mere extension of activities on the lines of the Arts and Crafts movement. On the contrary, the first thing to do is to create a popular belief in the ideals of craftsmanship by means of propaganda. Following that, there must be organization of the market and the provision of credits for craftsmen, who should be under the discipline of a Guild. If this were undertaken on a large scale as part of a national movement that sought to establish Guilds, fix prices, regulate machinery, and abolish the subdivision of labour, then it would be a practical proposition, but as an isolated issue attempted on a small scale it is beset with difficulties, because in these days the market cannot be localized.

Though the Arts and Crafts movement failed in its wider aim, I think it can be claimed that it succeeded in restoring traditions of handicraft and design in the sense that it brought into existence a number of craftsmen who knew what they were about, and has thus paved the way for the revival of craftsmanship on a larger scale, since the experimental work has now been done. There is no greater illusion than that harboured by modernists that the emancipation of the people from economic servitude would be followed by a spontaneous democratic revival of the arts, for that is not the way things come about. On the contrary, not only the history of art in the past

but the progress that has been in the direction of its revival at the present day demonstrate beyond possibility of doubt that any awakening proceeds from the few to the many, by the gradual widening of the circle of those who know what they are about. And the recognition of this principle is not incompatible with an equal recognition of the principle that the art of the future shall be a democratic art. For when we speak of a democratic art, of an art that shall be the common possession of the whole people, we do not mean that we expect that in some mysterious way art will spontaneously arise up among the people when they are liberated from economic servitude, but that we are anxious to promote a particular kind of art in which the people may eventually share, and it is because Medieval art<sup>1</sup> was in this sense democratic that we believe it must form the basis of any revival of art in the future. Greek, Roman and Renaissance art, on the contrary, are autocratic and servile. This is necessarily the case, because they are based upon conceptions of abstract form; and abstract form is just as incapable of forming a basis for popular art, as logic would be capable of forming the basis of a popular literature. Hence, when such an ideal of art is exalted, the mass of workers inevitably work under the dictation of a few. But with Medieval art it was different. In it there was a place for all. The

<sup>1</sup> By Medieval art I must be understood to refer not only to Romanesque Byzantine and Gothic art, but to the vernacular architecture and craftsmanship of the Renaissance in which the Medieval spirit survives—in a word, to all European art that rests on a basis of experimental handicraft.

master of abstract form found scope for his talents in the more generalized conceptions of Medieval art. But there was also a place for the individual craftsman who was permitted to exercise his imagination on the details. That is what we mean by a democratic art, an art in which every one would find a place and could share, not an art that is to be created by Tom, Dick and Harry, who have never given a moment's thought to the subject as some people suppose.

I said that any widespread revival of art will follow the gradual widening of the circle of those who know what they are about. Any widening of this circle depends upon two things :—the removal of economic obstacles, and the cultivation of a certain temper or receptive attitude of mind on the part of the mass of the people. It is with the second only of these that we are immediately concerned, for the difficulty which at the moment restricts such influences within comparatively narrow limits is the attitude which the majority of people adopt towards anybody who happens to know more than they do. People are apt to be very sensitive on matters of taste, especially if they have just a little of it, for a little taste, like a little knowledge, is a dangerous thing. It so often leads them to resent criticism. They resent the dogmatism of the artist as something which, if not resisted, would crush them. Yet this is not the case, for if they only knew it, submission would liberate the creative impulse within them. To learn in the arts as in other subjects depends on a certain humility of temper which will allow a man to subordinate himself to anyone whom he feels knows more about the

thing than he does himself. If a man is willing to do this for a period, a time comes when he grows out of his pupilage and begins to feel his own feet. But there are very few who will do this. Their pride seems to stand in the way. Yet everything depends upon the cultivation of such a temper. Well did the Medieval Church rank pride as chief of deadly sins. It is the most deadly because it prevents a man from learning, compelling him to live on himself.

While, therefore, we may recognize that the solution of the economic problem is a precedent condition of the triumph of art in the world, let us not lose sight of the fact that a more immediate enemy is personal pettiness, since even under existing economic conditions there is no reason, apart from this personal pettiness, why things should be anything like as bad as they are. Hence the cultivation of a different temper to the prevailing one is a precedent condition of any widespread revival; for with any revival of art there must go a certain respect for mastership—a capacity for subordinating oneself to a master—while it is frustrated by the prevailing temper of self-assertion both among artists whose pride leads them to desire to be thought original,<sup>1</sup> and the man-in-the-street who “knows what he likes” and

<sup>1</sup> The fact must not be lost sight of that this individualist and anarchist development in art has economic as well as personal roots. To become successful the artist must in these days attract attention, which fact militates against the growth of a consecutive tradition of art, by encouraging stunts. For this evil there is finally no remedy apart from a more intelligent patronage which would remove the economic cause of this development.

is unwilling to learn. The truth is that all great masters have been willing learners, and their dogmatism does not arise from pride or egotism, but from the self-confidence that follows patient study—the sure knowledge that they understand certain things and their anxiety to share it with others. The great artist always begins by subordinating himself to the needs of a communal tradition, and he ends by transcending it. The minor artist will not do this. He will not submit himself to such a discipline. He is so anxious to preserve his own individuality that he fails to achieve distinction in anything, coming finally to suffer from that most dreadful of human infirmities—that combination of small conceit and minor achievement which is associated with the “artistic temperament.”

I said that a great artist subordinates himself to the needs of a great tradition. As such his spirit is democratic, for the true democratic spirit is not the one that merely seeks to give the public what they want, like the Northcliffe Press, but one that can subordinate itself to what the public needs. Two very different things; for the time-server is the first; the great teacher is the second. In the world to-day, however, there is no established communal tradition of art. To what then does the great artist subordinate himself? The answer is to the communal traditions of the past. He chooses from among those great traditions a vehicle of expression, seeking always to transcend it. There is a great deal of nonsense talked among modernists about revivals who, in their anxiety to empty life of its last remaining contents, deprecate any study of the past as something that militates

against the discovery of the future. But the truth is that it is impossible to discover the future apart from an understanding of the past, as the fact that modernists are invariably taken by surprise bears witness.

Immediately the Arts and Crafts Movement sought to revive traditions of handicraft by reuniting the artist and the craftsman ; by implication it was anti-industrial, ultimately it was Medieval, for it was a part of that wider Medieval Movement which, throughout the nineteenth century, sought to reverse the decision of the Renaissance in so many branches of activity. Many influences combined at the beginning of last century to turn men's minds in the direction of the Middle Ages. There was, in the first place, a growing recognition of the fact that the influence of the Renaissance and the Reformation had been to empty life of its contents. Religion had become dry and superficial, learning had become pedantic, art a dilettante pose, architecture a lifeless formula, while politically and economically society found itself in the throes of convulsions. The French Revolution, upon which so many hopes were founded, had ended in disappointment, while the Industrial Revolution was "grinding the faces of the poor." The result of it all was that the need was widely felt for a deeper philosophy than current ideas afforded, and that need was not altogether unconnected with the literary influence of Sir Walter Scott, who struck the first telling blow for Medievalism. Within the course of half a century Scottish life had undergone as complete a transformation as England had done in several hundred years ; the destruction of the power of

the Highland chiefs after the insurrection of 1745 having been followed by a rapid growth of commercial conditions of life and society. Scott had witnessed this sunset of Mediævalism in his country, and he sought to preserve in prose and in verse some memory of a life that was disappearing around him. Of his influence on his age, Newman says in the *Apologia*, "The general need of something deeper and more attractive than what had offered itself elsewhere, may be considered to have led to his popularity; and by means of his popularity he reacted on his readers, stimulating their mental thirst, feeding their hopes, setting before them visions, which, when once seen, are not easily forgotten, and silently indoctrinating them with nobler ideas, which might afterwards be appealed to as first principles."

Contemporary with Scott were Coleridge, Southey, and Wordsworth, who each in their own way carried their readers forward in the same direction. Their initial impulse came from disappointment with the course of the French Revolution and their hatred of industrialism and the pseudo-classicalism of the eighteenth century. The leading spirit of this group was Coleridge, who visiting Germany had come under the influence of the Romantic Movement there. Though he has left no book which gives an adequate summary of his teachings, which for the most part consisted of religio-philosophical aphorisms, yet his personal influence was enormous. He was the most brilliant conversationalist of his age; and after about 1820—the same date, it is interesting to observe, when Owen's communist schemes and anti-capitalist economics began to find adherents—the young

generation began to turn to him for guidance. Newman, Disraeli, Maurice, Kingsley, and Ruskin among others were all either directly or indirectly influenced by him.<sup>c</sup> The impulse thus given exercised a powerful influence on the thought of the age. Leading men's minds back to pre-individualistic times, when society was organized in corporate bodies with special responsibilities towards their members, it eventually crystallized itself into three movements—the Oxford Movement in the Church of England, the Pre-Raphaelite movement in painting, and the Gothic Revival in architecture. These three movements, though differing in their primary aims and differing still more in their individual exponents, were nevertheless closely interwoven. They had one thing in common. The eyes of all were turned back on the Middle Ages as a common source of inspiration. To these movements are to be added the Arts and Crafts movement and the Guild movement, for though beginning in our day they continue the same tradition.

It is important that this page of history should be known. For in directing this our attack upon machinery and the subdivision of labour we are conscious, not only of the fact that we are challenging the last defences of the existing system, but that we are carrying to its logical conclusion a tradition of thought and activity with a century of history behind it. It is thus we are strengthened by the knowledge that we are part of a great tradition—a tradition from which whatever is vital and healthy in the thought and life of to-day derives. For it has in turn exercised a rejuvenating influence upon religion, art, and economics; and

if after a century of effort these activities to-day falter, it is not because those who preceded us were mistaken in their aims, but that the time had not arrived when the citadel of the enemy could be successfully attacked. Before that was possible much spade work had to be done. The surrounding forts had one by one to be reduced. Nowadays this work has been done, and there remains for us but one thing left to do—to concentrate our attack upon the subdivision of labour and the unrestricted use of machinery which are carrying our civilization to its destruction.

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